



ALM INTELLIGENCE
**PACESETTER
RESEARCH**



Employee Well-being 2022-2023



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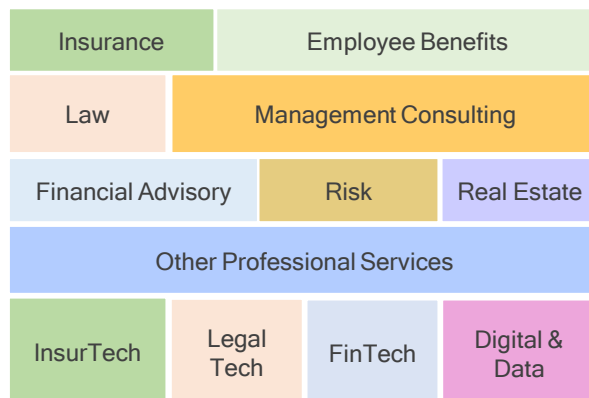


ALM Pacesetter Research (APR) is a market research initiative of ALM Intelligence with an inclusive perspective of the professional services landscape. Rather than narrowly focusing on one segment of the market, APR covers a broader range that includes law, consulting, insurance, financial advisory, and other actors operating in the market defined by the research topic. The purpose of ALM Pacesetter Research is twofold:

- *Deliver practical insights into the buying and selling of professional services in an increasingly converging marketplace*
- *Help buyers evaluate their sourcing options with objective assessments of providers' services and capabilities*

Pacesetter Advisory Council (PAC)

Market Leaders are selected by a panel of experts comprised of ALM editors, journalists, market intelligence analysts, and external professionals and academics who have experience working with professional services providers.



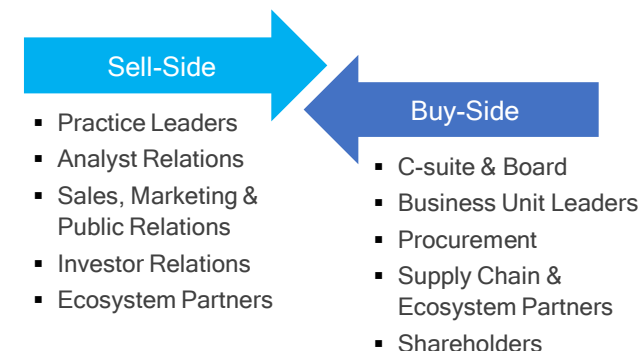
Research Methodology

APR analysts combine qualitative and quantitative research methods to profile Market Leaders in a given market. These providers are evaluated and scored against five core criteria to determine Pacesetter status.

- 1 Business model
- 2 Value proposition
- 3 Service delivery
- 4 Client enablement
- 5 Brand eminence

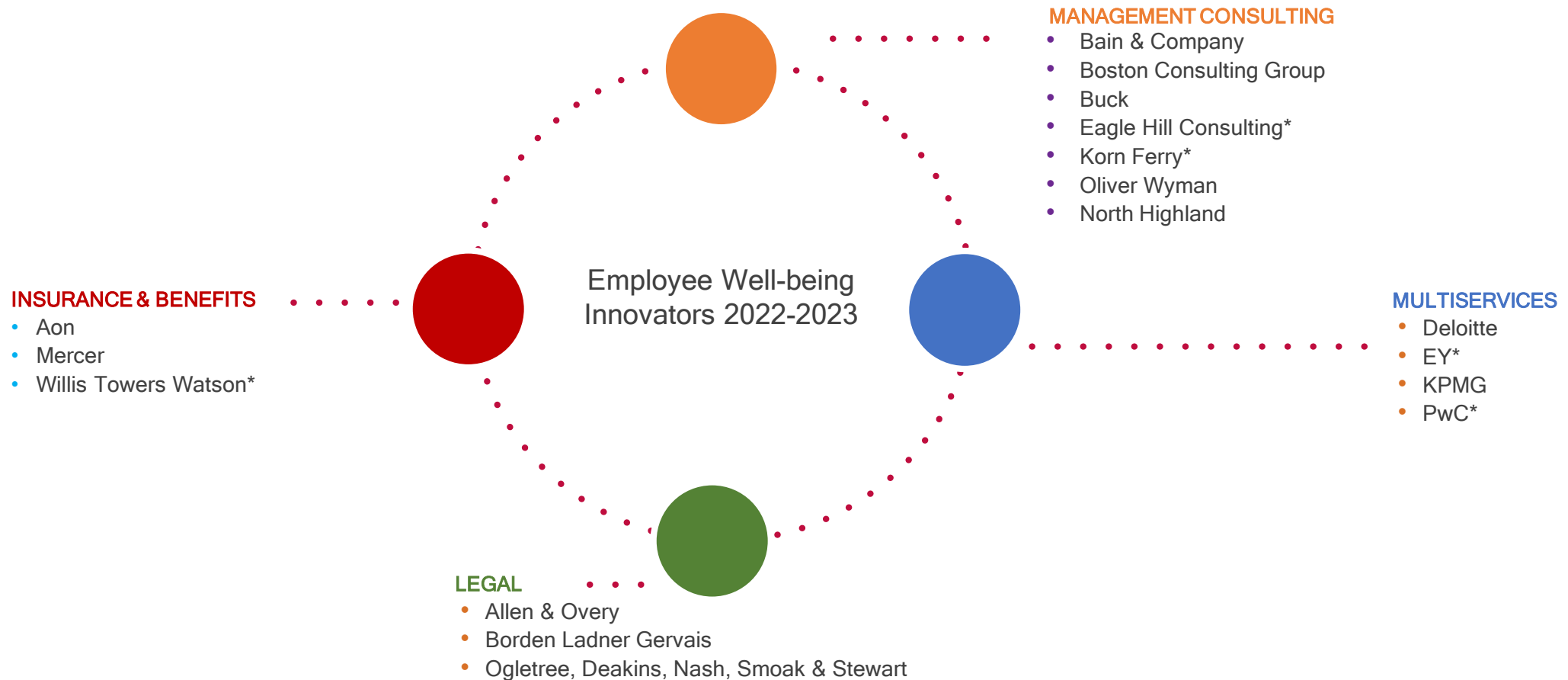
Audience

APR provides independent and objective analyses to providers and buyers of professional services coupled with practical insights that inform the decision-making process for strategic planning and procurement professionals.





ALM Intelligence analyzed and profiled 17 Innovators across five market segments for **Employee Well-being 2022-2023**. Five providers were identified as ALM Pacesetters: Eagle Hill Consulting, EY, Korn Ferry, PwC, and Willis Towers Watson (*)



Market Overview



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January, 2022

There were signs. In the years immediately before COVID-19, employee retention rates were crumbling. At first Millennials, but then others began demanding better work-life balance. Employees with access to increasingly sophisticated consumer technology in their personal lives began pushing back against analog-era processes and services in their corporate lives. Particularly in professional services, some noticed in recent years a mental health crisis among employees driven by burnout, drug abuse, isolation, fear of losing their jobs to technology, weak economic growth post-2010 and stagnant compensation levels. Technology firms began moving away from FTEs in favor of contract workers. The result was deteriorating productivity levels, plummeting loyalty to employers, surging employee absence to sick days and medical issues, and frustrated efforts to improve the customer experience. By 2019, workforce transformation was a growing trend in professional services spurred on by these talent challenges, exacerbated by digitalization in the workplace and issues like growing state hostility to labor mobility

But, as noted in the ALM Intelligence Pacesetter report *Workforce Management Services 2021-2022*, “What they did not know was that everything they were doing was a dress rehearsal for the largest ever change in human behavior at scale.” The massive and near-universal shift to remote or hybrid workforce models in 2020 urgently put workforce management front-and-center for employers. As some professional services providers observed, the challenges were not just cybersecurity, labor law compliance and team communications; something fundamental was changing in the relationship between employee and employer. Employee well-being now transcended HR and became a business issue - the definitive business issue of 2020 and 2021. Employee well-being has proven the weak link as clients seek to incorporate innovation and resiliency into their business models. A handful have recognized the link between effective employee well-being management and competitive advantage.

Despite the spotlight the pandemic has shown on workforce transformation, most professional services providers still approach employee well-being through well-trodden paths. Some see employee well-being as a benefits problem, others as a compliance or

Employee Well-being 2022-2023: Introduction

corporate code of conduct checklist issue, some as a workforce strategy challenge. Others tie it to DEI efforts. Employee pulse surveys have bloomed like wildflowers in a desert after a rain storm.

Innovators moved from a passive, checklist-based employee well-being approach to a proactive, holistic, integrated strategy that puts employee well-being into a long-term business outcomes context. As the Employee Well-being 2022-2023 report explores, the Pacesetters in 2022-2023 are those providers best able to make the connection between the employee experience and the client or end-user customer experience. There is a multiplicity of factors that shape employee well-being, but the providers making the greatest impact are those who make the business case for employee well-being frameworks that incorporate the relevant elements: HR and benefits, career journey, compensation, work-life balance, culture, technology and upskilling, team development, transparency and communications, and the alignment of personal well-being and goals with organizational culture and goals. In the rise of the Fourth Industrial Revolution, the importance of employees is turning out to be the missing piece of the puzzle, as Adam Smith understood:

“Labour [sic] was the first price, the original purchase-money that was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased; and its value, to those who possess it, and who want to exchange it for some new productions, is precisely equal to the quantity of labour which it can enable them to purchase or command.”¹

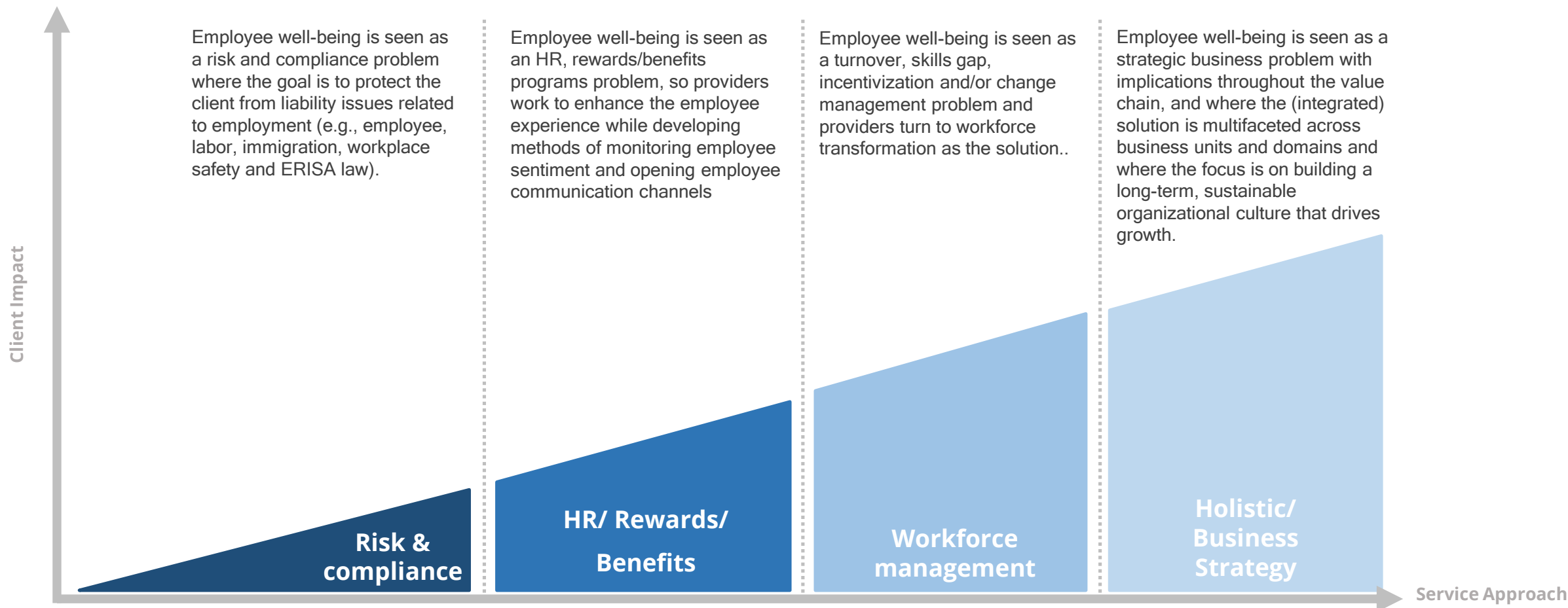


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1. Smith, Adam. (1776). *Wealth of Nations*, Book I, Chapter 5



Clients have been waking up to the challenge of employee well-being in recent years, but provider approaches have been narrowly focused, often engaging a single client unit; only a handful of innovators see employee well-being as a strategic business problem requiring an integrated full-organization solution





Employee well-being has traditionally been seen exclusively as an HR department issue, but the pandemic, the Great Resignation, remote working models and overall employee burnout have made well-being a C-suite-level issue, requiring an integrated cross-organization solution

Stakeholder Impact on Decision-making

■ Directly involved in scoping and purchasing services

■ Key influencer; accountable/responsible for executing strategy

■ Some influence on purchasing decision

□ Not involved in purchasing decision

Segment relationship intensity

■ Strong relationship

■ Moderate relationship

■ Weak relationship

□ No relationship

Stakeholders	Segments				Stakeholder roles and interests
	Insurance & Benefits	Legal	Management Consulting	Multiservice	
CEO					A common thread from many different providers is that whereas just a year or more ago, they were dealing almost exclusively with HR for well-being projects, now they are hired by CEOs, and often at the behest of the board.
CFO, CRO					CFOs and CROs have become common parties to well-being projects as clients seek to better understand the long-term ROI for well-being programs and projects
CHRO, HR/ Benefits/ Rewards Director					Anything labelled employee well-being automatically ended up in HR's domain traditionally, and while this is still true HR now must take on the additional responsibility of being internal project manager to coordinate the input and needs of the C-Suite, IT, finance, unit-level managers, external partners and others
GC/CLO					Labor and employment law are key pieces of the employee well-being puzzle for employers, and more advanced clients are also using their in-house legal departments for help identifying risk factors in programs as well
CTO					Prior to 2020 employee well-being solutions were usually some form of platform but increasingly IT's role is to ensure the most effective use of any technology deployed via customization, training, support, etc.
Unit-level managers					With a more integrated and bespoke approach to employee well-being, unit-level managers are now often involved in program development
External Stakeholders					Regulators, activist shareholders, and customers are loud and forceful advocates for employee well-being programs
Employees					Employee input is increasingly influential in shaping well-being strategies

Acronyms: CEO – chief executive officer; CFO – chief financial officer; CRO – chief risk officer; CHRO – chief HR officer; GC – general counsel; CLO – chief legal officer; CTO – chief technology officer



Trends

Many are speculating: is the heightened interest in employee well-being due to fleeting employee-favorable labor markets, artificially driven by government reactions to the pandemic? Or is this a reflection of a genuine structural shift brought on by growing numbers of Millennials and Gen Z (“Zoomers”) in the workforce, coupled with dawning realizations about the key employee role in enhanced productivity and the customer experience? Time will tell.

- Consulting providers are realizing the link between the employee experience and the customer experience in recent years, though client acceptance was slow
- COVID-19 has accelerated existing trends and blurred lines between work and private life for employees, something technology has been doing for years
- COVID-era lockdowns and remote work models have shifted the dynamic between employers and employees
- The lockdown has also upended traditional employee models, shifting legal, cybersecurity, tax liabilities, while also redefining hiring contracts, insurance and benefits
- The lockdown has also put many employees into dire mental stress, with measurable impact on productivity
- Some governments have acted: in 2021, Portugal banned employers from contacting staff after hours
- COVID-19 also forced every organization into remote models, providing an opportunity for providers to experiment and share “living laboratory” lessons
- COVID-19 has also made explicitly clear the consequences of not incorporating employee well-being into workforce strategy, with real implications for productivity, customer relationships, safety and compliance
- COVID-19 has also starkly highlighted a divide between older and younger employees over the traditional work-all-night culture in professional services
- Interest in employee well-being has been snowballing in recent years, but most solutions center on wellness programs (e.g., benefits), technology or compliance
- Some innovators were ahead of the curve, but many firms - clients and providers alike - are just now coming to appreciate the cross-organizational role in shaping employee well-being, spanning compensation & benefits, workforce model, culture, communications, career development, as well as technology enablement
- Innovators also recognize the multiple components of employee well-being, some variation of emotional, physical, financial, social (network) and technology well-being

Implications for Buyers

- A vendor need not have an all-encompassing solution in-house, but should understand the complex dynamics of employee well-being and seamlessly integrate their solutions with other providers
- Technology solutions - platforms and apps - are legion, so be sure the vendor is committed to integrating their solution into your processes effectively, as well as providing training, support, and ensuring employees will use the solution
- Most employee well-being engagements begin as a crisis (e.g., high turnover) and are framed as HR problems, but a provider should be able to link their solutions to financial, operational, technology and customer experience impact as well
- In employee well-being, the intangibles - culture, communications, support networks, mentorships - are equally impactful
- Another area of low-hanging fruit is career development and investing in employees, for instance through periodic upskilling programs

Convergence

The pandemic has made clear what was theory prior to 2020, forcing organizations to quickly and pragmatically find out what works:

Benefits: Rewards/benefits programs design is still a big area of focus for providers, so much so that there are hints of blurring lines between traditional financial advisors and benefits brokers, as the links between financial performance and employee wellness become more apparent leading to cross-selling. Growing numbers of brokers are pushing for integrated wellness solutions that address all components of employee well-being: personal, professional and organizational.

Employee centricity: Prior to the pandemic, employee well-being was largely the domain of HR benefits programs, and the solutions varied between insurance or benefits products, carefully crafted wellness programs and some technology-supported programs, e.g., using pulse surveys to solicit employee attitudes. These were usually delivered by the client insurance carrier, insurance broker, benefits or HR consultant. Wellness programs remain the primary vehicle for addressing employee well-being, but the approach to them and the providers delivering them has broadened. Recognition has grown that successful wellness programs need to be grounded in a holistic, integrated approach that includes a range of client data, strategies and behaviors that span the client organization and are coordinated against specific, benchmarked results. This has given rise to a wide range of services from consulting and multiservice providers that still include data-driven wellness programs while focusing on the employee experience in total - how to measure it, how to redesign it, what metrics to track going forward - and include organization design, recruiting & retention strategy, career trajectory

design, upskilling and reskilling, networking, etc.

Data: Before COVID-19, data in the employee well-being world usually meant pulse survey data, both client and aggregated industry surveys. Now, data refers to any number of HR, operational, financial metrics, including an increasingly sophisticated range of employee behavioral data gained through in-client sources and external. Taking the holistic view of employee well-being requires putting employee attitudes, behaviors and the resulting business outcomes into context. Providers across the board with advanced data analytics capabilities have moved aggressively into this space, addressing specific issues or questions around risk, compliance, process design, service delivery, benefits program use, and more.

Living laboratory: All organizations became living experiments during the pandemic, needing to quickly figure out remote or hybrid work models and how to meet client demand in this challenging new environment. Successful providers, however, needed to take things a step further and figure out how to capture their lessons and transfer them to clients, delivering their best practices with proof-positive results. This began with remote or hybrid work models but extended into other areas of employee well-being by 2021 and ultimately will lead to the proven ability to identify and manage meaningful linkages between organizational KPIs and in-house well-being strategy.

Implications for Providers

- Employee well-being is increasingly becoming a data play, with the most sophisticated providers delivering solutions that take a fully integrated, holistic and data-grounded approach, putting the employee experience at the center of their solution
- The days of designing well-intentioned, one-size-fits-all employee wellness programs emphasizing exercise and yoga are over with the shift towards personalized, employee-specific approaches
- There is widespread recognition of the importance of organizational culture in employee well-being, but providers must be able to clearly define culture and identify the key metrics clients should be tracking
- Middle-market clients are struggling with the same challenges in employee wellness, but as usual with fewer resources to address issues, opening the door for a focus on the less tangible elements of employee well-being (e.g., management transparency, making employees feel valued)
- Most employee well-being engagements focus on immediate issues but helping clients see and plan for the long-term gains of effective employee well-being programs with clear ROI (e.g., linking long-term real estate footprint scenarios coupled with hybrid remote workforce models) is key

ALM Intelligence Pacesetters

What makes a Pacesetter in COVID-era employee well-being strategy?

Integrated, holistic: Even for those providers with a narrow focus in employee well-being (e.g., compliance, benefits packages and total rewards), it was key for innovators to rise above the narrow client goals they were trying to achieve and put them into the broader client business context, understanding how achieving these goals served a larger strategic client picture of employee well-being. Each of the Pacesetters identified in this report were early to this realization, linking employee well-being with organizational goals. Innovators positioned their solutions in a way that yielded concrete results for all key stakeholders.

Brass tacks and VOI: Pacesetter providers relied on evidence-based solutions to help clients achieve employee well-being goals. This goes beyond simply using data - indeed, some benefits brokers are data powerhouses - but extends to having advanced capabilities in data sourcing, identifying unusual correlations across employee programs, employee behaviors, other business performance indicators, and business outcomes, and finally being able to link those correlations to actionable strategies that move the needle for clients. This is particularly important as client spend has expanded exponentially on employee well-being over the past

year, and with the additional involvement of the client's C-suite and board, leading to pressure for detailed ROIs on specific projects. This, in turn, necessitates that providers clearly project the less tangible VOI for well-being investments, immediate and long term.

Employee experience: Pacesetter providers recognized before the pandemic that the employee experience was as important for client goals as the customer experience, and indeed that the two were closely linked. Pacesetters understood that a successful and impactful employee well-being strategy needed to focus on the employee experience as much as on technology or workforce management. This transcends well-being programs and extends to investing in employees (e.g., upskilling and training) and helping with career development. Pacesetters focus on culture as well, recognizing the importance of mutual support and responsibility.

CSR: An interesting element Pacesetters recently uncovered in employee surveys was the importance to employees of feeling some basic alignment between their employer and their own values. They want to feel proud of who they work for, and that means they want employers to take corporate social responsibility (CSR) seriously, both internally (e.g., diversity) and externally (e.g., environment). Pacesetters saw the opportunity for reinforcing company loyalty and culture.

Employee Well-being 2022-2023

Market Segment	Provider
Management Consulting	Eagle Hill Consulting
Multiservice	EY
Management Consulting	Korn Ferry
Multiservice	PwC
Insurance & Benefits	Willis Towers Watson

Methodology Notes

The ALM Pacesetter Research methodology evaluates Market Leaders against five core criteria.

1. Business model
2. Value proposition
3. Service delivery
4. Client enablement
5. Brand eminence

Providers whose aggregate score is 85% or above qualify as an ALM Pacesetter.

In some instances the scoring may be weighted due to their importance in achieving competitive differentiation in this report's topic. For details, weighting in this particular report are addressed in the Methodology section.

See Appendix for detailed definitions of the five core criteria







The ALM Intelligence Pacesetters



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EMPLOYEE WELL-BEING **2022 – 2023**



Eagle Hill Consulting	Primary Practice Talent							
<p>Eagle Hill is a consulting firm based in Washington, DC and Arlington, Virginia with services targeting client strategy, talent and change management. The firm believes in a collaborative approach, partnering with clients to build bespoke transformative solutions. COVID-19 has driven a lot of work for the firm as clients struggle with talent issues such as employee burnout, hybrid anxiety and helping clients create an effective employee value proposition to address recruiting & retention challenges. But Eagle Hill also recognizes that the dynamics between employees and employers has changed in recent years, putting employee well-being at the forefront of client productivity and competitiveness.</p> <p>The formula for Eagle Hill is simple: Employee well-being is at the heart of the employee experience shaped by the day-to-day workplace experience, which in turn impacts an organization's performance. Employee well-being for Eagle Hill is therefore linked closely to the employee experience - as well as organizational culture. The firm developed an employee experience framework with four spheres: the interpersonal ("Who we work with"), technological ("How we work"), occupational ("What we do") and physical ("Where we work"). Managing the overlap areas - the links - between these spheres is the central point for the framework. Eagle Hill's end-to-end approach to employee well-being transformation spans strategy formulation to enablement and includes assessing and managing cultural change, tracking key influential metrics, organizational design, training & upskilling, technology and vendor selection, rewards and recognition programs, help designing diversity initiatives, and helping clients maintain the momentum of improvement over the long term. Eagle Hill road tests its evolving approaches to employee well-being through its internal Living Labs, which experiences it shares with clients and through thought leadership. In early 2021 Eagle Hill partnered with Asana, a digital transformation and productivity firm.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								







Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered



How Eagle Hill Consulting is moving the needle**Pacesetter
Criteria****Qualitative Assessment**

Service Delivery	Eagle Hill combines superior solution design with talent & culture through its collaborative and immersive approach to employee well-being, working with all levels of the client organization not just in strategy design but through implementation, ensuring along the way that performance goals are being met, and ultimately creating a flexible strategy that will help the client embrace continuous change going forward.
Client Enablement	Change management is central to Eagle Hill's approach to employee well-being, driving change through pragmatic stakeholder engagement so that employee well-being becomes a business transformation event. Eagle Hill's approach is ultimately informed by its experiences developed through its Living Labs internal experimental employee well-being programs.






EY	Primary Practice				People Advisory Services (PAS)			
<p>More aggressively than the other Big Four firms, EY has in recent years been building out the human dimension of its approach to business transformation, in the form of its People Advisory Services (PAS) practice. PAS is closely integrated into all EY’s offerings (across Consulting, Strategy & Transactions, Tax, Assurance, Legal), reflecting EY’s strategy of putting humans at the center of change. EY sees people-centricity, along with technology and innovation as being among the three drivers of long term value creation in transformations.</p> <p>The pandemic provided EY with an opportunity to harness its own in-house research (e.g., its annual Work Reimagined Survey) and client experience to address employee well-being as the foundational pillar of a successful COVID-era workforce strategy and employee experience. The obvious low-hanging fruit was helping clients manage both a remote workforce and plan their return to a physical office, but EY also linked long-term productivity, performance improvement and total reward frameworks to employee well-being outcomes. The firm’s approach to employee well-being was informed by its own corporate purpose (Building a better working world) and its internal talent model transformation journey, which is grounded in each employee’s individual purpose and extends outward to their four well-being pillars (emotional, financial, physical and social) and then more broadly to include career growth paths, leadership training for well-being, a healthy working culture and workplace design.</p> <p>EY approaches employee well-being in a proactively holistic fashion, with an integrated offering that spans multiple practice areas. This cohesive approach is illustrated in its Healthy+ framework which views employee well-being across organizational strategy, people, governance & leadership, digital technology, systems & structure, assurance & reporting, and risk & opportunity dimensions. Productivity and performance management gains through effective employee well-being strategy are anchored for EY in the employee experience (EX). This spans emotional, physical, financial and social well-being, with the latter including a strong emphasis on the importance of networking, helping employees develop the business relationships (both within their employer’s organization and beyond) that will enhance creativity, capability development, support mental health and ultimately support employee career development. EY has worked to embed technology into its offering through the collaborative creation of experience platforms (e.g., the myWELLBEING hub). Services span organization and workforce transformation; HR transformation, people experience and people mobility. In 2021 EY created a Chief Well-being Officer position for its Americas practices. Recently EY strengthened these capabilities with the acquisition of Tao, which focusses on culture and behavior change and Lane4, a leadership coaching firm.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered

Impact Scale:

 Very High
 High
 Moderate
 Low
 None







How EY is moving the needle



Pacesetter Criteria



Qualitative Assessment

Business Model	EY in recent years has been investing heavily in its human capital-focused People Advisory Services (PAS) practice, creating world-class capabilities spanning transformation in learning services, change management, HR transactions, mobility, immigration, organization design, talent management, workforce planning, total rewards, leadership & culture, and DEI
Service Delivery	EY triangulates its approach to employee well-being between employee, company and stakeholder expectations, recognizing the importance of aligning the interests of these three key players, taking a holistic approach that incorporates transformation across the organization, the healthcare offering, the work environment, leadership, the overall strategy, the workforce, and the technology systems. EY has also built a significant ecosystem of partners (e.g., Workday). The firm also utilizes its extensive employee well-being-relevant digital assets (Remote Work Viability Assessment, Agile Reward Tool, Change Insights, Leadership and Talent Assessment, Culture Fitness Diagnostic, EY PX 360 platform, and Hybrid work implementation).
Client Enablement	EY's extensive experience with change management is a key factor in its approach to employee well-being, understanding that a holistic approach requires being able to coordinate and align key stakeholder interests and requiring expert skill sets including client relationship management and business case development. EY also has highly evolved internal well-being programs, for instance its "Better Me" model in its Leadership Transformation model.

Korn Ferry	Primary Practice		Organizational Strategy					
<p>Korn Ferry is an organizational strategy consulting firm with a strong focus on the workforce management element of organizations, seeking to align organizational design, culture and people to the client’s business strategy. The firm’s workforce management services span workforce transformation, talent acquisition and executive search services, leadership development & succession planning, and employee benefits and compensation. Korn Ferry has also developed its AI-powered HR platform Intelligence Cloud™ to help clients make strategic talent decisions and create optimal talent career development models. Central to its approach is what Korn Ferry calls the Potential Gap, a gap analysis across client culture, organization, leadership and people to determine the most effective human capital strategy and deployment for the client’s goals.</p> <p>Korn Ferry sees employee well-being as central to a successful workforce management and organization transformation strategy, but grounds its approach in data, both from employees and markets. It anchors its approach to employee well-being in its Organizational Strategy practice and sees employee well-being is the critical ingredient for long-term organizational resiliency. In fact, Korn Ferry started with itself, engineering its own internal Korn Ferry Cares rewards program and sharing those lessons learned to clients. Long people-centric, Korn Ferry takes a “top-down, bottom-up and peer-to-peer approach” in its efforts to fundamentally reshape the employee experience utilizing sophisticated assessment tools to measure employee sentiment. Moreover, the firm believes there is a link between a focused, purpose-driven organization and employee mental health, and that employees respond to clearly stated values, people-centric organizational goals, a company culture that reflects employee values, and ultimately when employees feel their voice is heard in shaping company direction and values. Clarity in intent and communications between leaders and employees is another key ingredient, according to Korn Ferry. The five topical nail heads Korn Ferry’s service approach are organized around are organizational strategy, total rewards, assessment & succession, talent acquisition and leadership development, with special emphasis on rewards optimization, leadership selection and development, and a big item for the firm, the future of work. The firm works to create a culture that triangulates between employees, the organization, and leadership, with the ultimate aim being optimizing the employee experience. In late 2021, Korn Ferry acquired Lucas Group, a professional search and contracting expertise firm.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
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Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered

How Korn Ferry is moving the needle

Pacesetter Criteria

Qualitative Assessment







Service Delivery

Korn Ferry views change management and employee well-being as virtually interchangeable, and approaches employee well-being as an organization-wide transformation requiring coordination between all the key stakeholders and moving parts, carefully basing decisions on data-driven insights and assessing progress at every stage.

Client Enablement



Korn Ferry anchors its approach to employee well-being in the belief there is a link between a focused, purpose-driven organization and employee mental health, so that the firm structures its approach across three key touchpoints in what it calls total system transformation: the individual employee, leadership, and the organization. The firm is also able to utilize both client-sourced data and internal data from the Korn Ferry Institute. In the spirit of “practice what they preach,” Korn Ferry’s own rewards package for its employees was developed using the same strategy applied to clients.



PwC		Primary Practice			Risk Consulting		
<p>PwC has made some big strides in recent years in the form of its New Equation initiative. This is a culmination of the firm’s pivot to focus on client outcomes, more closely aligning human capital and technology offerings with PwC’s solutions as client enablers. The Assurance (including compliance) and Tax Reporting capabilities have been combined under what now called Trust Solutions, while the tax consulting capabilities have been moved into PwC’s Consulting group. In line with the firm’s own aggressive digital transformation of the past five years, its offerings are strongly supported with cloud, digital, data analytics and other advanced technologies, to be followed with \$12 billion in continued investment over the next five years.</p> <p>PwC began its own journey of employee well-being improvement in 2018 when it sought to better understand the link between employees’ personal lives, their professional lives, and business outcomes. This ultimately resulted in PwC’s Be Well, Work Well framework designed to foster healthier living and working habits for employees across physical, emotional, mental, spiritual, financial and social health. This program was developed and road tested in-house before being deployed to clients - in a strong tradition of PwC’s living laboratory approach. The firm sees effective employee well-being strategy as an organizational skill, best addressed across four basic components: employees’ personal healthy behaviors, leadership & teamwork, corporate prioritization and technology support. PwC puts emphasis on the implementation of employee well-being strategies as much as the design, helping clients develop the metrics and monitoring capabilities to ensure plans are producing the desired results. To that point PwC closely integrates data analytics into its employee well-being offering for real time evaluating of plan progress. The firm also has been tracking employee wellness issues for years in pulse-style surveys like its annual Employee Financial Wellness Survey and its Health and Well-being Touchstone Survey. Another avenue PwC approaches employee well-being (again, in its living laboratory tradition) is through its aggressive approach to upskilling and reskilling. PwC’s software product ProEdge helps employees identify skills needed for the future as well as how to build those skills, while managing the skills pool the client organization needs. In late 2021, PwC introduced a work-anywhere policy for its US employees, allowing them to choose their own mix of in-office versus virtual work - the culmination of a decade-old experiment with flexibility. The firm also generates a substantial amount of thought leadership on employee well-being.</p>							
Pacesetter Criteria					Pacesetter Impact Score		
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence			
							

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
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Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered







How PwC is moving the needle



Pacesetter Criteria



Qualitative Assessment

Business Model	PwC has rebuilt itself to deliver business transformations focused on delivering change from strategy through execution. The firm has put people at the center of this model, seeking to "connect the dots" between people and business outcomes relying on a fully service-integrated, holistic approach. In this approach, PwC has developed an in-depth and sophisticated offering around workforce management that focuses on the employee experience (EX).
Service Delivery	As part of its BXT (Business-eXperience-Technology) methodology, PwC deploys advanced data analytics for initial program diagnostics, solution design, employee listening, employee preference analytics, and perhaps most interestingly, for continuous feedback on employee behaviors and key program benchmarks. Talent and culture are also important ingredients to PwC's success in employee well-being, in strong part tied to its robust living laboratory experience.
Client Enablement	PwC's cross-domain, integrated approach to employee well-being, coupled with its linking organizational skill development with employee well-being, make for formidable stakeholder management and business case development capabilities. However, one area where PwC has particularly excelled is in Living Laboratory, having undergone its own journey a decade ago of reshaping the PwC employee experience and providing the firm with the opportunity to explore the links between culture, the people experience, and business strategy.

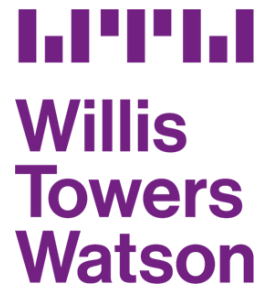
Willis Towers Watson		Primary Practice		Health & Benefits				
<p>Willis Towers Watson is a firm focused on risk, with business units dedicated to people, risk (meaning risk transfer and insurance), and capital risk, and functional competencies spanning risk management, insurance brokerage and consulting. Willis Towers Watson relies heavily on research-based insights and data analytics to help provide clients with some transparency into employee behaviors and needs. This includes the firm’s annual Global Benefits Attitudes Survey. The firm approaches its people-focused offerings strongly through the lens of benefits packages as the primary service delivery mechanisms, spanning workforce management, DEI and topical areas such as cybersecurity training, ESG and M&A.</p> <p>Some years before the pandemic, Willis Towers Watson’s Health & Benefits group recognized that the employee was at the center of a lot of client organizational challenges, and therefore employees were where remediation efforts should begin. The firm created its Culture of Well-being framework (resting on physical, emotional, financial and social well-being “pillars”) which is built on a foundation of strong client programs, is grounded in the client’s total rewards philosophy, and is supported by the client organizational culture. Willis Towers Watson relies on its substantial data analytics capabilities to help clients craft the most effective benefits programs and resources to support the client strategy, drawing direct connections between employee well-being and cultural well-being, for longer-term business value. The firm recognizes that well-being programs are only effective when they are aligned with organizational culture and goals, and to this end Willis Towers Watson works with clients to connect these programs with Total Rewards (benefits, career development, compensation), as well as work experience and the full employee experience, and ultimately, other organizational priorities such as ESG or a remote working model. Indeed, the firm’s approach is anchored in helping clients build a culture that supports employee well-being and encourages employee trust through persistence, transparency and consistency. There is a design thinking element to Willis Towers Watson’s approach, creating at first the ideal state and then mapping how to get the client’s employee well-being strategy there. The firm has crafted multiple digital channels to collect employee feedback in real time, and combines that feedback with other data collection efforts to inform what it calls its Well-being Index, which is a barometer of employee well-being. These insights are in turn used to perform a gap analysis and draft an action plan to address issues. Personalization and flexibility are key for well-being programs. Services also include vendor selection and adoption support, communications strategy, leadership training, change management, digital strategy design (e.g., portals), and ultimately helping clients measure the effectiveness of programs and linking programs to long term financial resiliency.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered

How Willis Towers Watson is moving the needle



**Pacesetter
Criteria**

Qualitative Assessment

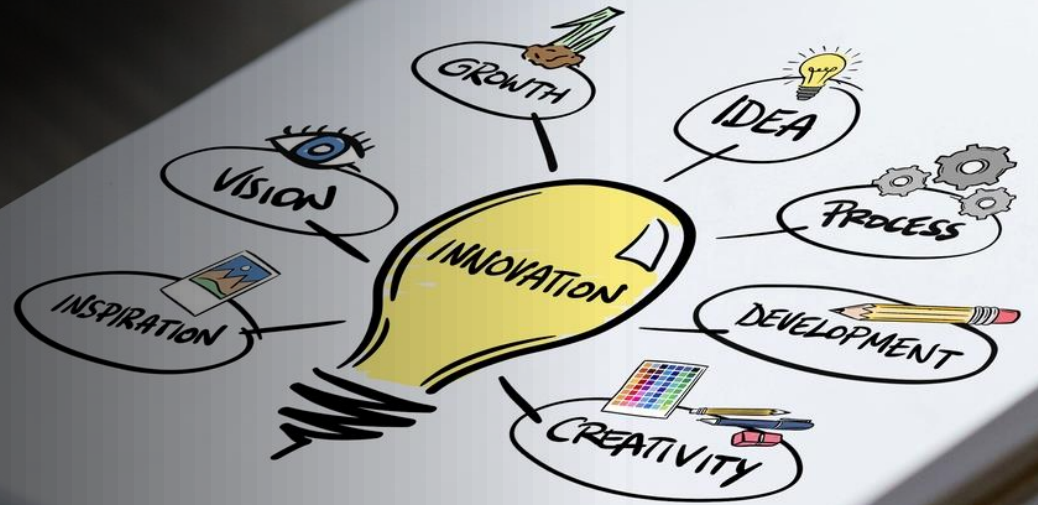
Value Proposition	Willis Towers Watson's focus on risk and its strong people-focused offering, coupled with its strong data-led evidence-based solution design, means that its employee well-being offering punches above their weight class, and while it is primarily still delivered through its traditional benefits practice, the firm long ago made the connection between individual employee well-being and organizational culture. Willis Towers Watson has accumulated particular expertise for jurisdictional regulations key for benefits plan design.
Client Enablement	The firm has developed an effective approach to helping clients define and understand culture, and to link that to both employee and organizational outcomes, and ultimately to help clients build a business case for investing in an effective employee well-being strategy. This becomes most important with helping clients make the distinction between short-term program ROI and longer-term value measurement in the form of VOI. Willis Towers Watson has advanced data analytics capabilities but helps clients look past platform-centric solutions to view technology as part of the solution strategy, rather than the solution itself.

The ALM Intelligence Innovators



ALM INTELLIGENCE
INNOVATOR

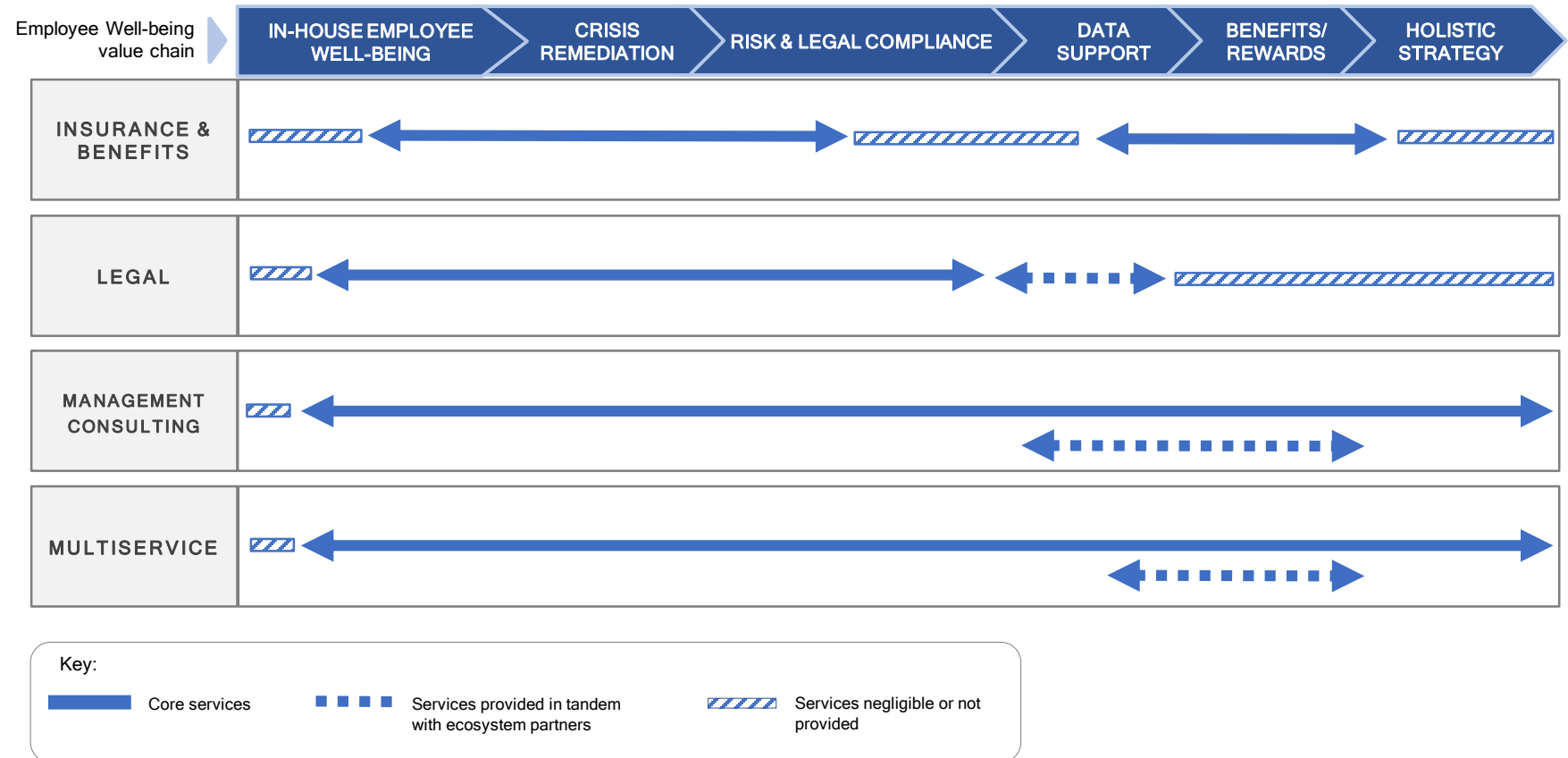
EMPLOYEE WELL-BEING 2022 – 2023



Employee well-being was, until very recently, mostly a benefits (rewards) and compliance exercise for providers, but has recently exploded into a more complex, comprehensive business strategy play that seeks to improve the employee experience to optimize business performance and outcomes

Notes on market convergence:

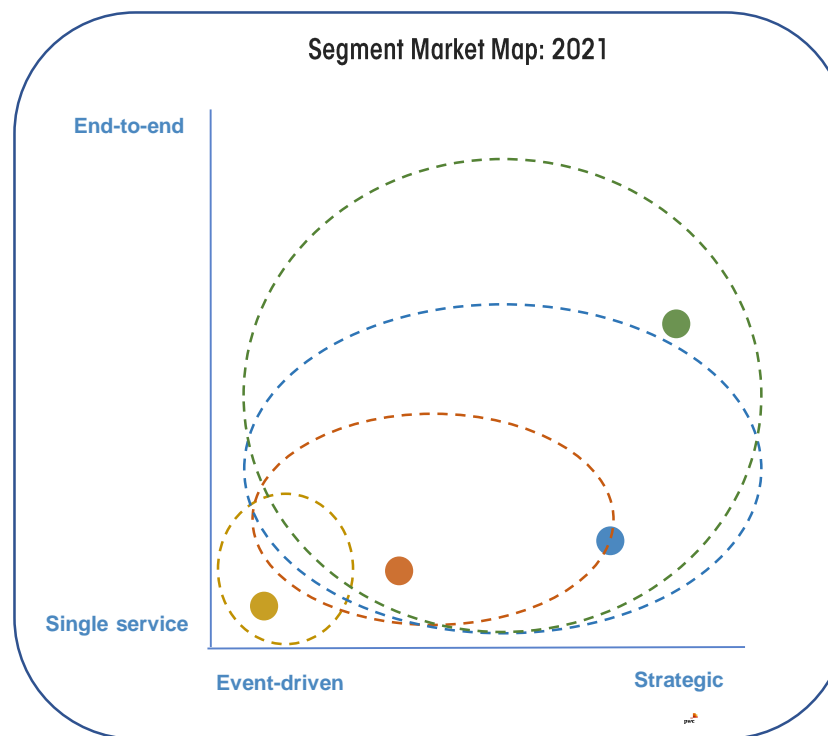
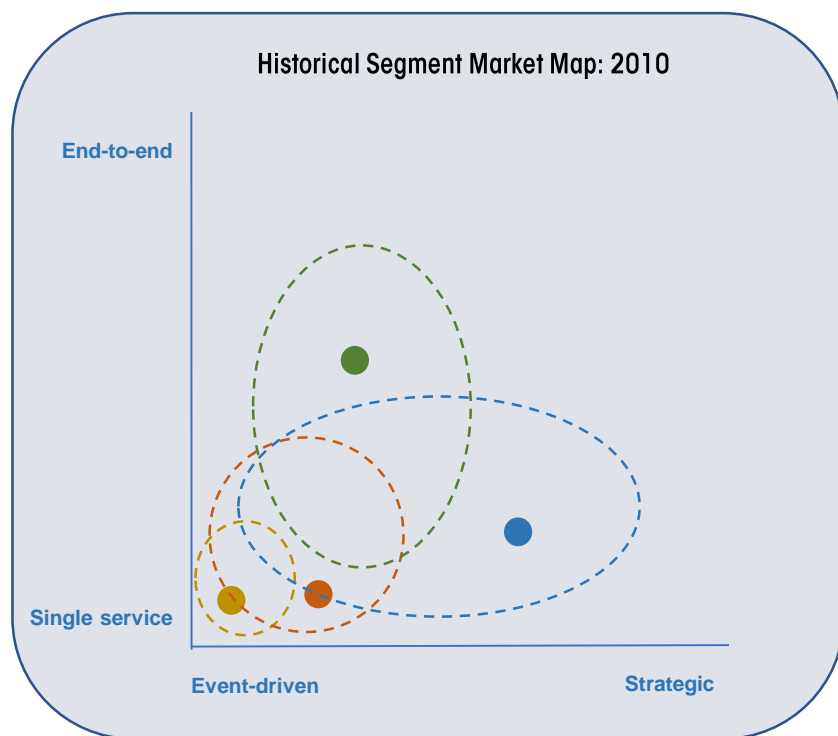
- **Insurance & benefits** providers are overwhelmingly focused on the benefits part of the employee well-being pipeline, which includes a crisis component, and innovators have moved upstream into more holistic strategy territory
- Innovators among **law firms** are fairly advanced in their approach to employee well-being in-house, but even among them, few successfully transferred lessons learned to clients, instead focusing on the traditional employee and labor law compliance dimension
- **Management consulting** firms and **multiservice** providers are more mixed in their success with in-house programs, but innovators started rethinking employee well-being long before the pandemic struck





Notes on the competitive landscape:

- Innovators among **insurance & benefits** providers have come to mirror consulting providers with a benefits-anchored but still comprehensive and holistic (and solidly data-grounded) approach to employee well-being
- The biggest investments for **law firms** and legal services providers in employee well-being are, aside from their traditional practice areas, in technology, usually in the form of client-facing regulatory dashboards
- **Management consulting** firms in general have been building out their human capital-focused capabilities in recent years, and integrating those competencies into broader client strategic imperatives, supported with advanced technology and tied to benchmarked outcomes
- **Multiservice** providers have been on a similar path as their consulting peers, with important differences around earlier reliance on advanced technology in their solutions as well as, among innovators, earlier recognition of the importance of the employee experience in business outcomes, and therefore an earlier attempt to integrate employee well-being into broader client business strategy



Key:

Insurance & Benefits

Legal

Management Consulting

Multiservice

Competitive zone

The Insurance & Benefits Segment Role in the Ecosystem

Prior to the pandemic, employee well-being was seen primarily as a health and wellness issue, and as such was usually handled by insurance & benefits providers. Wellness projects were passive, designed to inform employees about healthier lifestyle choices and often tied to benefits products. There are legions of boutiques today specializing in employee well-being (or some aspect of it), and just as many technology firms with platforms or apps offering employee well-being solutions.

In recent years, however, some insurance & benefits providers began to reexamine their value proposition around employee well-being, realizing both the impact negative employee health trends were having on clients whose employees were struggling with burnout and stress - as well as the accumulating growth in medical benefits use, which translated into growing costs and lost productivity for clients. Innovators realized employers needed to take a more proactive approach to employee well-being, and that an employee well-being strategy needed to be grounded in hard data, not theory. Employee behavior - office behavior, benefits usage, team interactions, response to management initiatives - all needed to be captured and analyzed. Innovators began developing frameworks that addressed the employee experience from both the employee's and the employer's perspective, drawing lines between this experience and company culture, their interactions with their peers, the transparency of management, career objectives both within and beyond the current employer, skills development, as well as personal factors such as financial stress or feeling valued by their employer. While still heavily benefits-focused, providers now linked these programs to other initiatives throughout the client organization, often at the behest of the C-suite or board, requiring providers to help clients formulate the long-term business case for investment in employee well-being. Innovators in this segment position employee well-being as a way for employers to differentiate themselves, not just in talent markets but with the customer experience as well.

Characteristics:

- Innovators have advanced data sourcing and analytics capabilities in-house (or via external partnerships), but deploy those capabilities in the service of a strategy rather than as the solution themselves
- Innovators make the operational and financial case for an employee well-being strategy, integrating employee needs with organizational needs and linking both ultimately to customer outcomes
- Innovators help clients imagine and design alternative talent models linked to customer outcomes

Employee Well-being Innovators in Insurance & Benefits

Aon

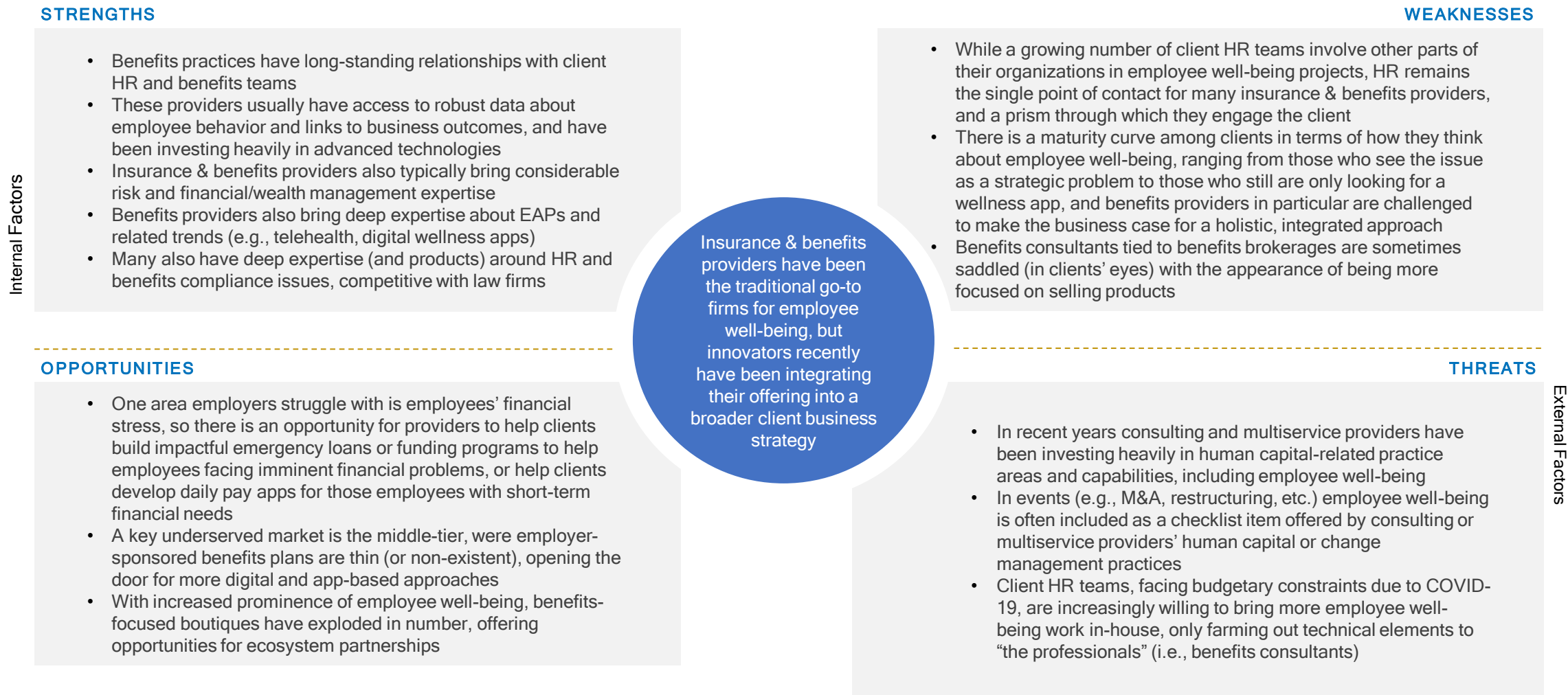
Mercer

Willis Towers Watson*







Procurement Priorities

- Advanced data analytics are table stakes today in employee well-being projects, and insurance & benefits providers should design data-grounded solutions around specific issues in your organization rather than offering one-size-fits-all solutions for typical industry challenges
- At least as important as what any employee well-being app can do is the provider's strategy for getting employee buy-in to using the app, including training and helping employees capitalize on app output
- While managing employee well-being projects usually resides within HR, the team should feel comfortable that the provider will help them formulate and present the business case for a solution before the C-suite

* ALM Pacesetter; see profile in Pacesetter section





EMPLOYEE WELL-BEING 2022-2023







Aon	Primary Practice Health and Risk Consulting							
<p>Aon is a firm that has been undergoing profound change in recent years, both through its own internal realignment efforts through its Aon United Blueprint strategy and through its failed merger with Willis Towers Watson (which entailed extensive divestitures to persuade skeptical regulators). In the wake of all this change, Aon is refocusing itself to address the following client risk-related concerns: navigating new forms of volatility, building a resilient workforce, rethinking access to capital, and addressing the underserved. These are achieved through advanced data sourcing and analytics, consulting, and seeking innovative solutions to client challenges via the firm’s Innovation at Scale strategy. Technology plays an important role for Aon, for instance in the form of its Aon Business Services platform (as part of its United Blueprint strategy), which supports back- and middle-office services across the firm, and Aon’s People Analytics service, which provides business intelligence capabilities integrating HR, finance and other operational data to compare human capital strategies with operating costs.</p> <p>For Aon, employee well-being is firmly embedded in the benefits experience, which for Aon translates into crafting the optimal benefits package for clients. The firm’s Five Pillars of Benefits Strategy covers the employer view, the employee view, the competitive view, the financial view, and the environmental landscape view. Aon’s approach to benefits is end-to-end and spans compliance, budgeting and ROI, the employee experience, benchmarking, vendor selection, incentivization, and health & wellness program design. Consulting services span health and benefits consulting services solutions. Aon also developed its Well One app, which uses data analytics to help clients (both individual employees and management) track physical, emotional, social and financial well-being across the client organization, helping them continuously reassess their employee and team well-being strategy. With the onset of the pandemic, Aon began producing survey-driven thought leadership targeting employee mental health as well.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	



 Services offered
 Services not offered

EMPLOYEE WELL-BEING 2022–2023

Mercer	Primary Practice	Health and Benefits						
<p>Mercer, a Marsh & McLennan family firm, is first and foremost an asset manager, but one which is also a formidable consulting firm with data-driven services targeting employee benefits, workforce management, and M&A. Mercer is well known for its investment advisory and outsourced CIO services. Areas of expertise in workforce management include organization design and effectiveness, strategic workforce planning and analytics, talent sourcing and acquisition, career pathing, and culture consulting, as well as strategic consulting and managed services for global mobility. Mercer’s Workforce Sciences Institute is a technology platform that delivers technology-enabled solutions for designing talent, recruiting, and career pathing strategies, and includes online and training for a range of technology, design, data and business disciplines.</p> <p>Mercer addresses employee well-being through two lenses, one being the direct employee experience through its Health & Benefits practice area, and the other through the workforce design side of its Workforce and Careers practice offering. On the benefits side, the focus is on minimizing disruptions to productivity by employee health issues. This includes working with client employees to create a culture of health, plan design (including defining KPIs, vendor selection and management, etc.), encouraging healthy working habits to foster resiliency and improved mental health, absence and disability management, and measuring ROI (return on investment) and VOI (value of investment).</p> <p>On the workforce management side, the employee experience is baked into Mercer’s approach across salary benchmarking, rewards, talent strategy, HR transformation, mobility, executive compensation and total rewards. Aside from helping clients formulate a detailed value proposition for employees, one of the most impactful ways Mercer addresses the employee experience is through its employee communication offering. It focuses on effective communications both to keep an open dialog with employees and to facilitate change management. This includes the Mercer Belong® Portal, which helps clients engage employees about personal health and well-being, as well as Mercer Career View, which gives employees an interactive view of their career progression opportunities.</p> <p>In collaboration with sibling firm Oliver Wyman, Mercer also offers its workforce management design offering Workforce for the Future, which emphasizes the optimal organization structure and skills management approaches, including DEI and the employee experience.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being
Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered

The Legal Service Provider Segment Role in the Ecosystem

In some respects, the legal world was ahead of the curve in addressing employee well-being. The American Bar Association (with the Hazelden Betty Ford Foundation) conducted a study in 2016 that uncovered significant mental health distress in the legal profession. The study had an immediate impact, and the ABA created the Working Group to Advance Well-Being in the Legal Profession in 2017, which launched the ABA Wellness Pledge, to which many prominent law firms committed. This resulted in many law firms creating robust and aggressive mental wellness programs, with some examples described among the innovators listed in this report. These programs suffered from two drawbacks, however. First, with a few notable exceptions, they tended to be reactive as law firms uncovered evidence of high rates of substance abuse, social problems (e.g., divorce), suicide and other indicators of extreme mental distress among their lawyers. Their wellness programs tended to focus on reducing these negative symptoms rather than creating a holistic employee well-being strategy. A problematic element of these otherwise laudable and well-resourced wellness programs is the failure to translate the lessons learned from these programs outside the firm to clients - including to in-house client legal departments. Secondly, they were impeded from creating a holistic strategy in part because a successful strategy would require significant changes to the basic law firm model, ranging from the impact of equity partnerships to career development channels and the effective utilization of technology resources. There is growing recognition that addressing lawyer burnout requires more fundamental business model changes. In the UK where markets are more competitive than the US, there has been more thinking about law firm purpose, culture and long-term, sustainable talent strategies that emphasize key skill sets.

The under-utilization of technology in the industry was highlighted during the pandemic as law firms saw a sharp rise in demand for regulatory work, revealing that while many firms have built great depth of expertise around regulations, their practices had very limited capacity for service delivery on a mass scale - further straining legal teams. A handful of innovators have begun to utilize automation and other technology tools.

For law firms, employee well-being from a service standpoint means employee and labor law, while helping clients update corporate codes of conduct, as well as facilitate (from a legal perspective) post-pandemic return-to-office strategies. Some innovators have developed tools (both internal and client-facing) to alleviate service capacity constraints, but on the whole, law firms have been reactive in their approach.

Characteristics:

- Innovators have created sophisticated programs in recent years for recognizing and addressing the signs of lawyer burnout and mental distress, focusing on both remediation as well as, increasingly, helping individuals proactively manage their mental health
- Innovators also recognize (to varying degrees) the cultural and employee experience dimension of addressing mental distress, including working on clearer paths to partnership, improving diversity in the firm, providing more technology support, and addressing ESG concerns

Employee Well-being Innovators in Legal

Allen & Overy

Borden Ladner Gervais

Ogletree, Deakins, Nash, Smoak & Stewart

Procurement Priorities

- Look for how a law firm has designed and implemented its own internal mental health wellness programs
- A growing number of law firms are adopting advanced technologies, but the onus is on the client to investigate how the firm is applying and using those technologies, to understand in detail the impact of those technologies on client outcomes (including cost), and whether a law firm will work with an outside tech provider or ALSP to help achieve desired client outcomes
- Clients must also evaluate a law firm's ability to rise above "checklist" compliance and connect HR compliance issues with employee well-being programs

* ALM Pacesetter; see profile in Pacesetter section



STRENGTHS

- Lawyers can expect a certain amount of risk and compliance work in employee well-being to be velvet-roped off for law firms
- Compliance and risk in employee law are a guaranteed foot-in-the-door for legal providers
- The pandemic, remote/hybrid workforce models, return-to-office plans and vaccination controversies make employee and labor law compliance a key part of employee well-being strategy
- The jurisdictional element of employee and labor laws favors law firms able to organize mass amounts of timely regulatory information for clients with cross-border value chains

WEAKNESSES

- As is often the case with law firms, employee well-being includes a legal element that is almost the exclusive domain of legal providers, but few have sought to move beyond compliance to broader risk or strategy discussions with clients in employee well-being, even among those legal providers with consulting units
- The pandemic has created immense demand and opportunity for law firms - so much that many providers struggle with meeting client demand because they still rely on the classic professional services "trusted advisor" model
- With law practices strained, they may be challenged with retention as other segment providers work to enhance their place and value proposition in the legal career path

Legal providers play a critical role in the review of employee well-being strategies for compliance issues and have the opportunity to share some of their own mental health program lessons.

OPPORTUNITIES







- Return-to-office plans are currently generating a lot of work for law firms as clients focus on the immediate risks, but law firms should also help clients rethink the long-term employee-employer relationship with remote or hybrid workforce models as well as contract labor, etc.
- As employers struggle with the new dynamic between themselves and their employees, legal, risk and strategic questions abound about employers' responsibilities vis-à-vis their employees
- The in-house mental health programs so many law firms have created since 2016 are a golden opportunity for dialog with clients on lessons learned, on sharing experiences in dealing with employee mental distress, and the importance of culture

THREATS

- Insurance & benefits providers, as well as HR and workforce consulting providers, are increasingly including employee and labor law compliance-related components in their offerings and technology platforms, often integrated with specific employee well-being metrics or concerns, and with a jurisdictional component.
- Jurisdiction-based workforce compliance data products are also increasingly common among multiservice providers, and are often tied to client areas of concern such as mobility, recruiting & retention, DEI or workforce models
- The demand for near real-time compliance data opens the door for ALSPs and other data providers



Internal Factors







External Factors

Allen & Overy		Primary Practice		A&O Consulting				
<p>Allen & Overy (A&O) is an international law firm headquartered in London and well known for its cross-border transactions work. The law firm is also notable for its work on regulations in the financial services sector (e.g., particularly European Union regulations such as MiFID II) with strong practices in banking, corporate, litigation and international capital markets. The firm has an in-house ALSP arm, Advanced Delivery & Solutions (AD&S), which provides advanced technology-based legal services and solutions, and in 2017 launched an advanced technology collaboration and innovation center called FUSE, which works with legal tech firms. In 2018, Allen & Overy established a subsidiary staffed by consultants, former regulators and non-lawyer subject matter experts. Called A&O Consulting, it has benefitted from global regulatory turmoil driven by Brexit, COVID-19 and the growing assertiveness of European regulators.</p> <p>Even before the pandemic, well-being was becoming a priority for the firm. In 2019, the board established a network of Mental Health Advocates in offices to promote positive mental health and foster a culture of support. This network of Mental Health Advocates proved invaluable for the firm when COVID-19 struck in 2020. The firm also created a program for helping employees better manage healthier lifestyles, both physical and mental, through its Minds Matter program. It also created a weight management program for its employees run by a professional dietician. To drive debate and discussion about managing the issues that impact mental health, A&O Consulting created the Culture Benchmark tool focused on employee well-being, diversity and respect. It uses real life conflict scenarios employees may face (involving themselves, colleagues, managers, clients, etc.) and asks them how they would react. The app’s goal is not to herd employees toward a “right” answer but to provoke thought and discussion. This tool was used internally before providing it to clients, and includes a bespoke pulse survey as well as training, workshops and a cultural health assessment by A&O Consulting.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus



Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered







Borden Ladner Gervais		Primary Practice		Internal		
<p>Canadian law firm Borden Ladner Gervais (BLG) was created in 2000 when five legacy law firms across the country combined. BLG is a full-service law firm with a focus on M&A and capital markets, disputes, finance, and trademark & patent registration. The firm fosters a culture of innovation, and in early 2021 created BLG Beyond, which offers managed legal services as well as consulting services focused on IP strategy, legal department performance improvement, market research, driving innovation across client business and legal realms, and project management. In 2021 BLG acquired Canadian law firm AUM Law, which specializes in risk and regulatory compliance in asset management.</p> <p>BLG was one of the early law firms to recognize the impact of employee burnout and poor mental health on performance, especially in the legal world. In 2015 the firm enacted an internal program focused on employee mental health, both addressing problems as well as encouraging proactive mental health care. This program has evolved since and includes one-on-one training and certification for workplace mental-health leadership. BLG also offers extensive mental health programs in its benefits package for employees, as well as further education through external resources and partners. This includes confidential access to mental health professionals and counsellors. The firm has also has worked to create more private working spaces in the offices, though this element has been modified by pandemic-era remote working.</p>						
Pacesetter Criteria					Pacesetter Impact Score	
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence		
						

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
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HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	



 Services offered
 Services not offered

EMPLOYEE WELL-BEING 2022-2023

Ogletree, Deakins, Nash, Smoak & Stewart	Primary Practice	Internal						
<p>Ogletree Deakins is among the leading US law firms in employment and labor law, with offices in Mexico, the Caribbean and Western Europe. Ogletree Deakins’ offerings run the full gamut of employment law (as well as across industries) and includes a practice focused on technology firms opened in 2019. When the pandemic hit, Ogletree Deakins put together a Coronavirus (COVID-19) resource center on its website for insights across litigation, workplace safety and state & local regulatory changes.</p> <p>In reaction to the ABA (and Hazelden Betty Ford Foundation) study in 2016 describing the mental plight of lawyers, the firm created a robust array of programs and communication channels to both help lawyers struggling with stress and mental health issues as well as proactively practice better physical and mental health at work and home. Recognizing the stigma attached to asking for help with mental health challenges, the firm created an HR portal with links and resources for a range of issues (e.g., addiction, suicide, eating disorders, etc.) along with internal mental health-related insights and podcasts for employees. Ogletree Deakins also offers programs including a robust Employee Assistance Program (EAP), telehealth services, behavioral health consultations, meditation/quiet rooms (including some yoga programs), onsite flu shot clinics, walking groups, health challenges and charity walks & runs. The firm also created a DEI team along with programs to support DEI goals within Ogletree Deakins.</p> <p>Ogletree Deakins also took a step in the pragmatic direction through the development of tools to help reduce pressure on its lawyers and staff. The firm has been aggressively investing in technology tools in recent years (such as its IntelliCase™ knowledge management tool) and has worked over 2021 to enhance its new client-facing multistate employment law compliance portal, State Law Maps, to apprise clients in real time of changes to local laws and regulations. The firm works with external tech providers to develop its tools.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered

Impact Scale:

● Very High
 ● High
 ● Moderate
 ● Low
 ○ None

The Management Consulting Segment Role in the Ecosystem

Even before the pandemic, management consulting providers across the board were becoming more aware of the human capital factor in business transformation and business outcomes, and were studying it intensely. This led them down different paths (people advisory, change management, total rewards and employee incentives, recruiting & retention strategy, leadership development, organization design, workforce management, culture), but with the central theme being how to optimize the employee part of the business equation. The growing consensus was that whatever the solution for optimizing employee performance, it would be arrived at through carefully measured KPIs and data. This data focus in turn generated the realization that there was an employee experience that could be managed, shaped and optimized, and this gave birth to the earliest inklings of employee well-being, at least in the consulting world. The pandemic injected some urgency into these lines of approach, which drove consultants to seek to define previously vague, amorphous concepts like culture in practical, data-driven ways, and to link these definitions in an integrated manner across client organization activities, including risk, compliance, production, measuring impact on each. Consulting providers began to formulate the business value proposition for employee well-being.

By 2022, innovators in the management consulting world have created an employee well-being focus in their offerings that holistically integrates the employee experience into broader organizational metrics and goals. These services are often based collaboratively between providers' human capital or workforce management and HR or benefits-facing offerings, and usually in tandem with their technology capabilities. Advanced data sourcing and analytics capabilities are a definitive element. While legal providers and some insurance & benefits providers address employee well-being in reaction to client problems like high turnover, management consulting providers (though themselves often tied to larger client organization transformation events) view employee well-being as a long-term strategic initiative, one that can become a differentiating factor for clients. One area in particular post-pandemic consultants have focused on in employee well-being has been in helping find the optimal mix of humans and technology, and where (using gap analysis and design thinking) clients can most effectively invest in their employees for mutual (client and employee) benefit, for instance making ongoing upskilling and training key topics. Consultants have worked to explore and define the links between effective personal employee behaviors and supportive cultural behaviors.

Characteristics:

- Management consulting providers have rejected the traditional benefits-oriented EAP approach to employee well-being in favor of data-grounded studies of employee behavior that can define specific employee trends and create action plans with measurable results
- Innovators make the links between the macro (organizational behavior) and the micro (employee behavior), the professional and the personal, all while respecting boundaries, but understanding the intertwining links between the different spheres
- A fairly universal framework defining employee well-being (emotional, financial, physical, professional health) has arisen in recent years

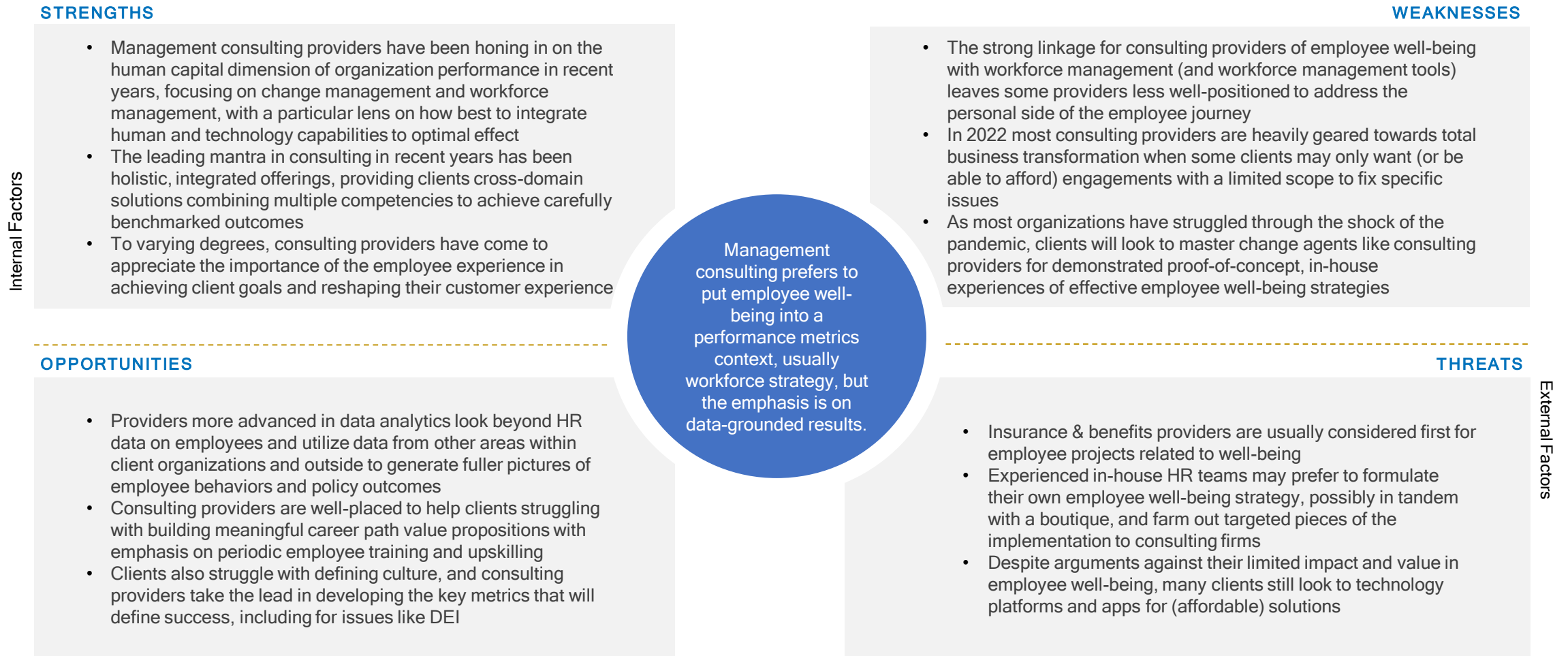
Employee Well-being 2022-2023 Market Leaders Management Consulting Providers







Bain & Company
Boston Consulting Group
Buck
Eagle Hill Consulting*
Korn Ferry*
Oliver Wyman
North Highland

Procurement Priorities

- The key value proposition that innovators in management consulting bring is the ability to put employee well-being into the broader client organizational context, and to link it to long-term growth strategy
- Innovators should be able to demonstrate advanced data sourcing and analytics capabilities, incorporating data from widely disparate sources and deriving actionable insights from it



* ALM Pacesetter; see profile in Pacesetter section









Bain & Company	Primary Practice	Organization						
<p>Bain uses strategy consulting as a spear point in the guise of business strategy and corporate strategy & finance, with the main thrust focused on long-term business resiliency. Bain was one of the earliest providers to see effective workforce management as key to this goal, and the firm has spent years investing in its organizational and talent strategy, as well as change management capabilities.</p> <p>For Bain, employee well-being is a top-down HR issue and one best addressed through effective HR policies. To this end Bain works to align the HR function with the organization's broader strategy and use effective organizational and talent strategy to ensure key stakeholders across the client organization achieve their goals. This includes an optimized HR strategy and a rationalization of HR processes, including benefits design. However, another area Bain has been concentrating on is the role of the employee experience in achieving business outcomes. The simple equation for Bain is that a superior employee experience translates into a superior customer experience—something Bain measures through its Net Promoter SystemSM. There is a design element focused on filling and managing talent gaps, but this is in part achieved through (again) a consistently positive employee experience that more effectively matches talent to roles, develops more flexible workforce models, and creates programs for continuous upskilling. Bain extends its customer-facing Net Promoter concept to encourage a more collaborative atmosphere for employees who play a bigger role in shaping the customer experience, through its Net Promoter for People methodology.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus



Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered








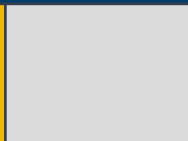

Boston Consulting Group		Primary Practice		People Strategy		
<p>Boston-based strategy and operations consulting firm Boston Consulting Group (BCG) is heavily focused on digitally enabled business strategy and transformation, with strong accents on industry expertise. A central drive for BCG is helping clients focus on long-term, sustainable performance optimization, building on in-house digital tools and capabilities to both measure performance and determine the correct levers to pull to improve performance over the long term. BCG is unique in leveraging its own in-house tools, physical showcase factories and capability building centers as well as its engineering and implementation teams. BCG has balanced its core organizational and operations focus with a strong customer-facing element (customer experience and the customer journey, sales & marketing, pricing) that injects the voice of the customer in BCG’s offering.</p> <p>For BCG, employee well-being is (like its immediate peers) tied to organizational performance - not just current performance, but the ability to measure and continuously improve performance. This manifests in BCG’s People Strategy practice area, which spans leadership development, talent development (e.g., upskilling, reskilling, etc.), organizational culture, learning programs, DEI, digital HR, BCG’s Build-Operate-Transfer methodology, and organization design. BCG’s Build-Operate-Transfer methodology is designed to not just help clients transform, but to help them build the tools and capabilities in-house for continuous self-transformation. For BCG, employee experience is a cornerstone for business transformation, and its People Strategy approach is broken into three basic buckets: leadership & culture, talent & skills, and the HR organization itself. In particular BCG recognizes the opportunity the pandemic has presented for a fundamental rethink of the employee model through both leadership and talent development. This includes opening communication channels to hear employee needs and concerns, as well as being willing to both partner and experiment with employees. On the talent development side, BCG focuses on strategic workforce planning and Tech People Strategy as well as long-term skill development through its Digital Skill Builder as well as its Center for Client Learning and Enablement, all baked into BCG’s Build-Operate-Transfer framework.</p>						
Pacesetter Criteria					Pacesetter Impact Score	
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence		
						

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	



 Services offered
 Services not offered

EMPLOYEE WELL-BEING 2022-2023







Buck	Primary Practice				Health			
<p>Buck began as an actuarial consulting firm in 1916 and has evolved since to become a leading HR, pensions, and employee benefits consulting, technology and administration services firm. Workforce strategy is a key component to Buck’s offering, focusing on design (from talent strategy to skills deployment and technology support) while helping clients align workforce strategy with broader client strategic goals. This extends into contingency talent management in the form of Buck’s people-as-a-service (PaaS) offering, which helps clients effectively utilize and manage the contributions of both in-house and contract talent.</p> <p>For Buck, employee well-being is primarily an issue of potential disruption in the form of mental stress, a long-standing problem but one brought to the fore by the pandemic. Buck approaches the employee mental wellness issue for clients through two basic prongs, one focused on formal HR and benefits program structuring for employee support and another designed to help clients put resources in place to help employees manage and cope with workplace stress. Services targeting employee well-being hone in on HR and how client HR teams can both monitor and address employee well-being crises. Services span an emotional well-being survey, a systematic review of medical and pharmacy usage data for shifting employee behavioral patterns, helping clients select wellness programs and vendors, helping clients develop and deliver a wellness program and communication strategy, and finally an audit program for Mental Health Parity and Addiction Equity Act (MHPAEA) compliance. There is an employee experience dimension to Buck’s approach, trying to create a customer-like experience for employees in how they manage their internal and HR affairs. These offerings are in part supported by the firm’s People Analytics platform, which uses client and external data to manage workforce trends. Buck also uses its actuarial heritage to help clients manage workforce-related risk. In 2020 Buck acquired Concert Consulting, followed by Caburn Hope in 2021 (both in the UK), enhancing Buck’s employee-facing strategic communications capabilities.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
Brokerage services	Insurance products/ solutions
Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	



 Services offered
 Services not offered

EMPLOYEE WELL-BEING 2022-2023





North Highland	Primary Practice				Workforce Transformation			
<p>Atlanta-based, transformation-focused consulting firm North Highland has itself undergone a transformation in recent years, moving from a traditional strategy & operations consulting model (underpinned with advanced analytics, process and business analysis and human capital consulting capabilities) to its current end-to-end transformation journey model. North Highland is a provider of change and transformation services that combine management and technology consulting with data analytics, design and managed services. The firm views enterprise transformation through three lenses: customer, workforce and operations. In this way workforce management plays an integral role in all engagements. This approach reinforces North Highland’s core belief that organization’s transformations are more likely to succeed when their people are fully engaged in change - an effect North Highland calls change saturation, as opposed to traditional change management.</p> <p>North Highland believes employee well-being needs to be baked into workforce strategy, rather than treated as a siloed technical issue on some transformation checklist. Instead, employee well-being should be supported over the long term by workforce strategy infrastructure. Services span strategy & purpose, employee value proposition, feedback programs, operating model shifts, data & analytics, skilling programs/capability development, experience and design, process, ways of working, culture, voice of the employee, and leadership development. These are supported by several technology tools, both in-house and through partners. The firm takes the partner approach to transformation projects, co-creating solutions with clients.</p> <p>North Highland believes too much attention has been paid to the individual element of employee well-being, to the detriment of the collective, organizational side. The firm takes a more curated experience approach that balances the collective needs of the client organization with the individual. Indeed, for North Highland everyone bears some responsibility for employee well-being, not just HR or managers. One reflection of this is the firm’s focus on helping client organizations move from upskilling/reskilling programs to long-term capability development that supports both organization needs as well as employee career growth. The firm also advocates paying attention to employee behaviors through internal passive data (e.g., flows of chat conversations, meeting attendance) to better understand and measure employee behaviors. North Highland also uses internal mobility and productivity as metrics both for measuring business value and helping people do their jobs better. Finally, North Highland helps clients develop a healthy and supportive culture that balances empathy (passive) with compassion (action-oriented). Again, the balance between individual needs and the collective is important, encouraging a culture of care based on acknowledging and appreciating colleagues while creating more connections among colleagues. Per the firm, great cultures are intentional.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								








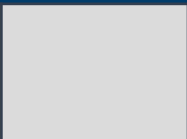

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
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Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered



Impact Scale:

 Very High
 High
 Moderate
 Low
 None

Oliver Wyman		Primary Practice		Organizational Effectiveness				
<p>One of two Marsh & McLennan firms profiled in this report, Oliver Wyman is a financial and operational performance consulting provider with strong expertise in the financial services sector - especially, given its parent company in the insurance industry. Services span actuarial advisory, corporate finance & restructuring, digital transformation, operations, organizational effectiveness, payments; pricing, sales, & marketing, restructuring, risk management, and strategy. The firm brings an engineering dimension to organizational design and strategy with its Oliver Wyman Engineers group, and addresses ESG issues through its Climate and Sustainability group. Oliver Wyman was also one of the earlier consulting firms to invest deeply in industry expertise. The Marsh & McLennan family of firms have also been cooperating more closely in recent years to extend each firm's capabilities.</p> <p>Oliver Wyman has long recognized the link between productivity and the employee experience. In fact, the firm was one of the pioneering firms that incorporated employee well-being into their own talent strategy, utilizing flexible work hours, mental health programs, more tailored and targeted health and benefits offerings, and internal communications channels. For clients, the main thrust of Oliver Wyman's approach to employee well-being happens in the Organizational Effectiveness practice, which addresses sustainable cost reduction, adaptive organizational design, accelerated performance improvement, people-led business strategy, and systemic cultural strategy. A central theme in the pandemic for Oliver Wyman has been managing employee performance in remote and hybrid workplace models. In this respect the firm focuses on continuously (re)evaluating work models, long-term resiliency (including helping employees themselves develop long-term, sustainable work practices and habits), leadership development, and (perhaps most importantly) listening to employees and considering both their work desires and needs as well as their larger beliefs and concerns - e.g., the importance of ESG issues. As a firm with strong legacy capabilities in financial services and insurance, there is a strong risk management component to the Oliver Wyman approach, as well as greater attention paid to the employee experience of healthcare benefits, both in terms of services usage and delivery, as well as stronger promotion of a healthy work environment and lifestyle. In collaboration with sibling firm Mercer, Oliver Wyman also has its workforce management design offering Workforce for the Future, which emphasizes the optimal organization structure and skills management approaches, including DEI and the employee experience.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				
								

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
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Function-focused advisory services	Interim, Managed & Outsourcing Services
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HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered

The Multiservice Segment Role in the Ecosystem

Multiservice providers have positioned themselves to be everything for client organizations, not via an à la carte model, but rather as full, end-to-end partners focused on shepherding clients through total business transformation. Their value proposition is less the component capabilities and expertise they have collected than their holistic, integrated approach that teases out the threads between micro and macro factors in organizations. These providers began with auditing and risk assurance services and gradually added consulting, technology (traditional IT, data analytics and more advanced technologies), tax advisory, human capital management, forensics & disputes, legal, and most recently blended managed services or as-a-service offerings.

In recent years some multiservice innovators were experimenting with their own internal employee well-being programs, leading to early inklings of the connections between the employee experience and macro-organizational performance. The endgame for multiservice providers is making a business case for employee well-being strategy for the C-suite. Like their consulting peers, they used advanced data analytics to discern actual employee behaviors and find the links between them and business outcomes.

Employee well-being is addressed by multiservice providers primarily through their human capital practice areas, often with benefits or rewards specialists, but in close collaboration with multiple other practices (including industry practices). Some multiservice providers approach employee well-being as a workforce management problem, but innovators look beyond organization charts and compensation incentives to examine both the leadership and employee role in organizational culture, as well as career development, communication channels, management transparency about goals, technology enablement tools, career development and growth opportunities, flexible work-life balance, as well as the personal dimensions employees are struggling with in the pandemic. Multiservice innovators have recognized that responsibility for creating the optimal employee experience is spread across the organization.

Characteristics:

- Multiservice innovators in employee well-being tend focus on the long game, looking not only to address immediate challenges such as high turnover but to build impactful behaviors into the organization's DNA to ensure long-term, optimal outcomes
- More so than most other provider segments, multiservice innovators rely heavily on data analysis and use a wide array of data sources, using their unique capacity to process and derive insights from a myriad of data sources
- Multiservice innovators also bring an integrated approach, combining, for instance, a hybrid office model strategy with tax, real estate, accounting and operational implications

Employee Well-being Market Leaders Multiservice Providers

Deloitte

EY*

KPMG

PwC*

Procurement Priorities

- An area multiservice providers increasingly excel in is data-driven scenario planning and wargaming, so inquire about a provider's ability to present empirically-based scenarios for more complex challenges
- Multiservice providers (and consulting providers) have gone the furthest down the road of defining organizational culture and identify the key levers, so expect detailed explanations of what constitutes success, how to achieve those objectives, and what metrics to use
- As noted, many multiservice providers have been on their own employee well-being journey, so observe how their teams work and "kick the tires" to see how effectiveness of their own programs have been
- This includes measuring your own service experience against provider claims about their own employee experience strategy

* ALM Pacesetter; see profile in Pacesetter section



STRENGTHS

WEAKNESSES

Internal Factors

- Multiservice providers are experts at addressing complex performance issues, putting them into an organizational context and coming up with pragmatic, data-driven solutions
- Employee well-being has been elevated in priority to the C-suite and board, where multiservice providers have strong relationships
- Experts at cross-border restructuring, multiservice providers also keep detailed information about jurisdictional regulations
- More so than any other provider segments, multiservice providers have the advantage of sheer scale in technology, FTEs, industry experts, etc.

- While welcomed by some clients for the adroit use of technology in their employee well-being solutions (helping keep costs down), some clients see multiservice provider solutions as too platform- or technology-based, and inflexible
- While some have been investing aggressively in human capital capabilities for several years now, on the whole multiservice providers are fairly new to employee-related offerings, and their brand is less well known in HR circles. Some are seen as relying more on technology and less on human capital expertise
- Like their consulting peers, clients often expect multiservice providers to demonstrate the ROI and value of their own employee well-being initiatives

Multiservice providers view employee well-being as one piece of the larger organizational transformation puzzle, and attack it with thorough study and data-driven solutions.

OPPORTUNITIES

THREATS

External Factors

- Helping clients in HR, rewards and/or benefits utilize data outside their spheres, and effectively apply that to supplement pulse surveys, planning and scenario building is a key area multiservice providers could have a greater impact
- Multiservice providers and their data capabilities can also be helpful in making the business case for diversity and ESG initiatives
- One area particularly bedeviling clients is employee financial distress, and multiservice providers are well-positioned for both better education about personal financial as well as helping clients build financial stress services like loans, daily pay apps, etc.



- Insurance & benefits providers are usually top-of-mind for clients for employee well-being projects
- Some multiservice providers' technology capabilities are competitive with the big tech houses and their integrated, cross-domain and cross-industry expertise means they pull together data from a plethora of sources, but this puts the onus on these providers to be particularly careful with cybersecurity and data privacy regulations
- Due to the pandemic, many clients are more amenable to simpler, out-of-the-box solutions

EMPLOYEE WELL-BEING 2022-2023







Deloitte	Primary Practice HR Transformation							
<p>More so than its peers, Deloitte in recent years has become a more asset- and platform-driven professional services firm , using technology to drive transformation across client organizations. Total business transformation is a central theme for Deloitte, with the approach relying on both in-house developed technology tools as well as partner technology, all closely integrated across its Tax, Consulting, Audit & Assurance, Mergers & Acquisitions, and Legal and Risk & Financial Advisory practice areas.</p> <p>One of the core competencies in Deloitte’s Consulting practice is human capital in the form of HR transformation, workforce transformation, human capital as a service and organization transformation. Human capital has been rising in importance in Deloitte’s offering and as such has been the recipient of increasing investment. In HR transformation, Deloitte helps clients build an outcome-focused Exponential HR, which is adaptable, agile, augmented by technology tools, and aspires to “architecting” - continuously reassessing and seeking to improve its end-to-end functions. Workforce transformation seeks to create networked teams of cross-functional collaboration.</p> <p>For Deloitte, there is a top-down element to employee well-being that focuses on well-being as a component to an optimized HR and workforce strategy. However, Deloitte recognizes the importance of the employee experience in a successful workforce strategy and has confronted the issue head-on - both internally and for clients. Aside from the usual concerns about a well-crafted benefits package and devising an effective remote-office hybrid strategy, Deloitte has put considerable thought into the optimal human-machine quotient for clients (the augmentation side of HR transformation), as well as the less-tangible parts of the employee experience: mind (mental health, stress and work-life integration), body (physical health), wealth (financial health and goals), purpose (matching personal values with organizational values), growth (career goals), and diversity, equity and inclusion. Deloitte also generates impactful thought leadership, for instance its 2021 Global Human Capital Trends: Special Report, which addresses what Deloitte sees as a dramatic shift in worker-employer relations post-pandemic.</p>								
Pacesetter Criteria					Pacesetter Impact Score			
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence				

Employee Well-being Service Focus

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
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Internal Living Laboratory	
Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	



 Services offered
 Services not offered

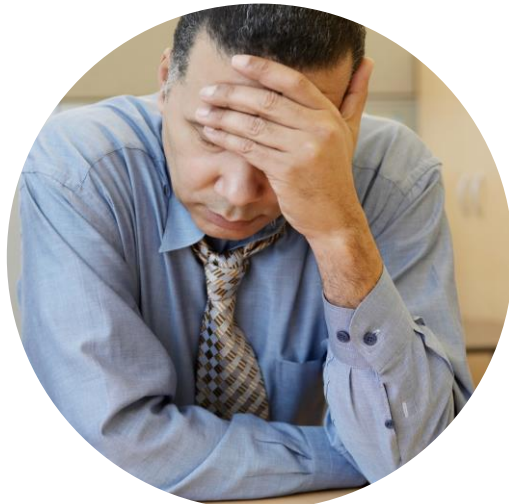
EMPLOYEE WELL-BEING 2022–2023

KPMG		Primary Practice		Risk Consulting		
<p>A legacy multiservice company and one of the Big Four, Netherlands-based KPMG offers services in financial auditing, tax and advisory. Like its Big Four peers, KPMG has focused in recent years on business transformation, with a strong emphasis on the digital component. KPMG’s approach to transformation, dubbed the KPMG Powered Enterprise, is about organizations not undergoing a single transformation event but internalizing the ability to drive continuous change, particularly using advanced technologies. This includes strong elements of agile and resilient functions and processes. Across its four basic practice areas (Audit & Assurance, Tax & Legal, Advisory, Private Enterprise), KPMG has seen the strongest growth in recent years in its Advisory unit, though with strong adjacent investments in technology.</p> <p>For KPMG, employee well-being is strongly a business performance and productivity issue, recognizing the human dimension to these challenges, and is addressed often through HR, benefits or insurance-related offerings. The impact of employee well-being was pushed to the forefront of performance and productivity for KPMG (like all firms), and the firm has responded with a series of initiatives centered on bespoke wellness programs. With external sponsorship, KPMG created the Center for Workplace Mental Health to help client HR teams create effective employee wellness programs targeting mental health challenges (e.g., stress, burnout, sleep fatigue, poor fitness, chronic diseases, mental illness). Some national KPMG affiliates have a direct wellness offering, such as the Integrated Wellness Solutions group (embedded in the Australia KPMG Risk consulting practice area), with the goal of helping clients design effective, impactful wellness programs for their employees created not just to ameliorate immediate pandemic-era concerns but to integrate employee well-being into other, long-term performance metrics. This is in part facilitated by both pulse surveys and employee behavior data collection. An important element of this for KPMG involves clearly defining the firm’s DEI and inclusion goals, which KPMG believes helps build trust internally. In late 2020, struggling (like all firms) with both managing a remote or hybrid workforce while also grappling with a strategy for bringing employees back into the office, KPMG held a global (virtual) World Mental Health Day Summit with its employees.</p>						
Pacesetter Criteria					Pacesetter Impact Score	
Business Model	Value Proposition	Service Delivery	Client Enablement	Brand Eminence		
						

**Employee Well-being
Service Focus**

Data, technology, cybersecurity tools & solutions	Accounting, auditing & risk assurance
Consulting services	Forensics & disputes
Function-focused advisory services	Interim, Managed & Outsourcing Services
Legal services	Technical
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Risk & Legal Compliance	
HR/Rewards/Benefits	
Workforce Management	
Holistic/ Business Strategy	

 Services offered
 Services not offered



ALM INTELLIGENCE
**PACESETTER
RESEARCH**

Appendix



The goal of ALM Pacesetter Research is to help buyers of professional services navigate an increasingly complex landscape with confidence. We use a multidisciplinary perspective to identify best-in-class providers of legal, consulting, financial, insurance, employee benefits, and other professional services, and analyze how they are evolving as an ecosystem of interdisciplinary service providers. Our research is grounded in over 50 years of accumulated market insights and qualitative research models that combine knowledge of management science with case studies and other sources of knowledge to understand patterns of market supply, demand, behavior, and ways of doing business.

IDENTIFY

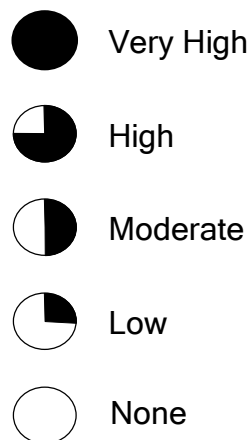
- The ALM Pacesetter Advisory Council (PAC) convenes in advance of the research project kick-off; members include ALM journalists and editors, and external experts such as consultants, general counsel, and industry thought leaders
- The PAC selects the set of Market Leaders that will be covered in the research topic from a larger group of providers that members have identified in the normal course of their work
- PAC members also provide expert knowledge and insights to the ALM Pacesetter team throughout the research and analysis process

RESEARCH

- The ALM Pacesetter Team within ALM Intelligence conducts primary and secondary research
- Primary research includes in-depth interviews with practice leaders at the provider firms covered in the research; satisfaction interviews with clients referred by those providers; and in-depth interviews with thought leaders, recruiting professionals, and other sources
- Secondary research includes data gathered from annual reports and earnings calls, management presentations, public filings, case studies, press releases, journals and publications, online information databases and other publicly available resources

ANALYZE

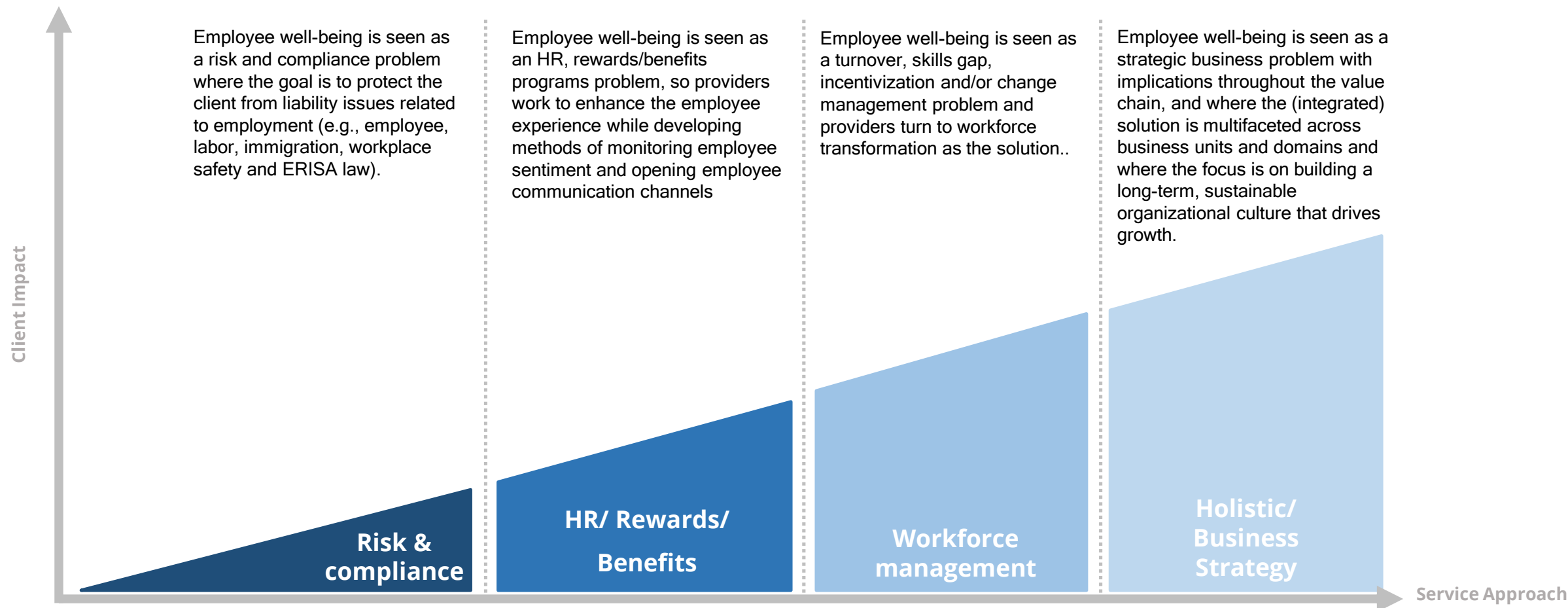
- ALM Pacesetter analysts evaluate and score the Market Leaders against five core criteria
 1. Business model
 2. Value proposition
 3. Service delivery
 4. Client impact
 5. Brand eminence*See criteria definitions on next page*
- Market Leaders that achieve a Pacesetter Impact Score equal to or over 85 are designated as ALM Pacesetters
- Pacesetter analysts map markets and stakeholders and write market trends
- Market segment overviews are peer reviewed by the appropriate PAC member

Impact Scale:

The goal of this research was to identify which professional services providers were having the most impact in a rapidly shifting market environment, and measure precisely what that impact was. Each provider, once identified either through the research or by the Pacesetter Advisor Council (PAC), was evaluated in five client impact categories and within each, five sub-categories (See Page 49 for category details and definitions.), using a 100-point scale for each sub-category. This means that that maximum unweighted score for each category was 500 points, all of which rolled up to a maximum (unweighted) score of 2,500 points. The scoring framework does allow for targeted weighting of subcategories, though no weighting was used for the *Employee Well-being 2022-2023* report. In order for a provider to be identified as a Innovator - in other words, to be included in this report - they had to score a minimum overall 70%. To achieve Pacesetter status in this report, they had to score a minimum 85%. The Harvey Balls moon graphics represent the following scores:

- 85%-100%: Very High impact
- 80%-84%: High impact
- 75%-79%: Moderate impact
- 66%-74%: Low impact
- <65%: None

From a service perspective, employee well-being is defined as any effort to improve employees' personal, physical, and professional lives through a variety of service approaches, most of which explored in this report make connections between overall employee relative health and key employer and customer outcomes.





Core Criteria	Definition
Business Model	Provider's ability to reposition core competencies around new products, services, and business models to adapt to shifting patterns of market supply, demand, behavior, and ways of doing business
	Detailed Criteria: Scope of services, Supply chain, Ecosystem, Corporate Development, Innovation Capability
Value Proposition	Provider's ability to deliver on its value proposition, i.e., the positioning statement that communicates the benefits and economic value a prospect will receive by purchasing the provider's products and services over a competitor's
	Detailed Criteria: Differentiated services, Risk management, Measurable outcomes, Evidence-based solutions, pricing options
Service Delivery	Provider's ability to mobilize resources and configure assets to serve clients
	Detailed Criteria: Solutions design, Engagement model, Talent and culture, Project management, Enabling tools
Client Enablement	Provider's ability to help clients affect continuous, sustainable change, improve performance, and achieve growth
	Detailed Criteria: Client relationship management, Business case development, Stakeholder conversations, Change management and capability development, Living laboratory
Brand Eminence	Provider's ability to leverage brand and marketing strategies to differentiate in its marketplace as an expert practitioner and thought leader
	Detailed Criteria: Thought leadership, Intellectual property (IP), External research partnerships, Sales and marketing, Case studies



Acronym	Definition	Line of Defense	Areas of Risk Responsibility
CCO	Chief Compliance Officer	2nd	Responsible for establishing standards and implementing procedures to ensure compliance programs effectively identify, prevent, detect and correct noncompliance with applicable laws and regulations
CEO	Chief Executive Officer	1st	Collaborates with Board in fiduciary oversight role; responsible for enterprise risk management strategy overall
CFO	Chief Financial Officer	1st	Manages funding of risk resources, programs and insurance; analyzes impact of risk events on bottom line; monitors and reports on ROI of risk investments, including insurance
CHRO	Chief Human Resources Officer	1st	Contributes to development of risk policies and procedures related to workforce and workplace matters; central source of risk training, communications, and change management for employees, managers and leaders
CIO	Chief Information Officer	1st	Responsible for monitoring and enforcing risk policies, procedures and practices related to information technology
CISO	Chief Information Security Officer	1st	Responsible for monitoring and enforcing risk policies, procedures and practices related to corporate data
CMO	Chief Marketing Officer	1 st	Manages, monitors and mitigates organization's brand and reputational risk; leads external crisis communications
COO	Chief Operating Officer	1st	Assesses, controls and mitigates risks impacting day-to-day operations and business processes
CPO	Chief Procurement Officer	1st	Manages and audits third party risk; collaborates with CFO and GC on insurance procurement
CRO	Chief Risk Officer	2nd	Primary responsibility for enterprise risk management strategy and operations; leads corporate risk function; collaborates with GC and CPO to procure insurance in line with organization's risk strategy and appetite
GC	General Counsel	2nd	Advises Board and senior management on governance, compliance, risk and legal matters; responsible for developing, implementing and monitoring programs to support the business' risk owners
IA	Internal Audit	3rd	Provides independent assurance that the organization's risk management, governance and internal control processes are operating effectively



Service(s)	Definition
Data, technology, cybersecurity tools & solutions	Any and all internal or client-facing technology assets and data management tools applied to a client solution
Accounting, auditing & risk assurance services	All accounting and auditing services requiring licensing from state and national authorities (in most jurisdictions), including services related to the controls and compliance side of auditing and risk management
Consulting services	All management consulting services which provide expert strategic and operational advice designed to drive significant change in client organizations
Forensics & Disputes	Any investigative services designed to recover evidence concerning misconduct, a crime, or operational failures; with different types of forensic investigations including financial, physical, operational, data & technological, etc., and as well the resolution (e.g., arbitration) of legal disputes
Function-focused advisory services	Non-consulting advisory services such as investment banking, transaction advisory, tax advisory, law practice (separate from legal services), asset management, etc.
Interim, managed & outsourcing services	All short and long-term services by which an external vendor takes over some degree of client functions, whether for reasons of capacity, affordability, temporary stewardship (e.g., interim CFO), monitorship, expertise, etc.
Legal services	Services provided in support of the practice of law, usually high volume, low value work (e.g., contract review), and usually dependent on advanced technology for delivery
Technical	Specialized technical services or competencies such as economic consulting, engineering, valuation, strategic communications, etc.
Brokerage services	Typically insurance brokerage, but includes real estate and etc. brokerage services
Insurance products/ services	Insurance products and services including wealth management, retirement management, etc.



Core Criteria	Definition
Internal Living Laboratory	Living laboratory refers to a provider's own internal employee well-being efforts and programs, particularly (but not limited to) those enacted during the pandemic. Most importantly about this category, it is capturing the degree to which a provider has been able to take those lessons learned and transmit them systematically to clients.
Risk & Legal Compliance	This is the most defensive approach which merely seeks to help clients ensure that their employee well-being efforts and projects are in compliance with existing employee and labor laws. This is being applied most commonly in 2022, for instance, in helping clients determine if their efforts to bring employees back into the office are valid, as well as dealing with vaccination controversies.
HR/Rewards/Benefits	This approach can range from the reactive to the proactive depending on the provider, but it is one focused (still) primarily on the HR and benefits delivery models for employee well-being, though some providers have become sophisticated in this approach and connect these programs and efforts to client parties, KPIs and outcomes outside of HR.
Workforce Management	This approach is less concerned with the individual employee issues and more with the impact on the larger client organization, and as such tends to focus on problems (e.g., turnover, productivity, skill gaps, etc.) rather than addressing the full employee experience, taking a more tactical approach to employee well-being.
Holistic/Business Strategy	This approach can begin elsewhere but grounds its approach in the recognition that employee well-being is both influenced by and in turn, influences all value-adding activities in a client organization, requiring therefore a holistic, pan-organizational solution.

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ALM Intelligence provides proprietary data, analysis, tools, and knowledge that empower our clients to succeed. The product suite and vast data repository arm professionals with the critical business information required to make the most impactful and informed decisions possible. The exhaustive data repository and product functionality enable professionals to combat competitive challenges head-on with the confidence to remain ahead of the field. The depth of ALM Intelligence's expertise across the benefits, insurance, consulting, and legal industries provide a broad spectrum of actionable intelligence to facilitate & execute strategy. Please visit www.alm.com/intelligence for more information.

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